

Lawson reaffirms pledge of tax cuts and zero inflation

Howe savages Kinnock over defence policy

Sir Geoffrey Howe, attacking Labour's defence policy, said Mr Kinnock was "unfit to lead the nation"...

Lord Young of Graffham announced new measures to help people under 25 who have been jobless for six months...

Mr Nigel Lawson, the Chancellor, renewed his pledge to achieve zero inflation and cut standard income tax...



Mr Cecil Parkinson, with his wife Ann at Bournemouth yesterday, returned to a Conservative Party conference for the first time since he resigned three years ago...

Saudi leak prompts new fear

By Nicholas Beeston

There were fears yesterday of a new diplomatic crisis between Britain and Saudi Arabia after a Scottish newspaper published in full a confidential Foreign Office dispatch critical of Saudi customs and habits...

Hopeful Reagan flies to summit

From Mohsin Ali Washington

President Reagan said yesterday that success at the Iceland US-Soviet meeting was not guaranteed, but if Mr Mikhail Gorbachev, the Soviet leader, comes to Iceland in a truly co-operative spirit, I think we can make some progress...



Bang goes the City

Later this month the shackles come off the financial markets in the most radical reform in City history. It will affect all of us, not just the winners and losers in the square mile...

Portfolio

The £4,000 prize in The Times Portfolio Gold competition was won outright yesterday by Mr J.F. Langley, of Stanmore, Middlesex...

FOCUS

The Queen and the Duke of Edinburgh begin a six-day state visit to China on Sunday, the first by a British monarch...

TIMES BUSINESS

Rescue off: Exel Group has abandoned its plans to rescue McCortquodale, the bankrupt printer...

TIMES SPORT

Rebel Botham: Ian Botham flew to Australia with the England cricket party amid allegations that he had agreed to join the "rebels" who played in South Africa in 1981...

TIMES RESULTS

Bar passes: Bar examination passes for the Michaelmas Term are published today...

Table with 2 columns: Home News, Overseas, Arts, Births, deaths, marriages, divorces, Births, deaths, marriages, divorces, Births, deaths, marriages, divorces...

Chancellor fails to halt sliding pound

By David Smith, Economics Correspondent

The Chancellor's confident message to the Conservative Party Conference failed to reassure the currency markets. City analysts believe base rates will have to rise by 1 or 2 per cent next week...

Heseltine pitches for leadership

By Philip Webster, Chief Political Correspondent

Mr Michael Heseltine yesterday set out his personal manifesto for the leadership of the Conservative Party with a programme based on an investment of public and private money to tackle unemployment...

New measures to aid young jobless

By a Staff Reporter

A series of measures to help the unemployed were announced yesterday by Lord Young of Graffham, the Secretary of State for Employment...



Football chiefs get deadline

By John Goodbody, Sports News Correspondent

The Government yesterday renewed action against footballism by insisting that the Football League introduces membership schemes in all 92 member clubs...

Pretoria tightens grip on opponents

From Michael Hornsby, Johannesburg

The South African Government yesterday tightened restrictions on its extra-parliamentary political opponents by declaring the United Democratic Front (UDF) to be "an affected organization"...

50 injured as bus falls 60ft

By Angella Johnson

Women and children were among more than 50 people injured when a bus packed with shoppers crashed and plunged 60 feet down an embankment in a South Wales village yesterday...

Prisoner freed at gunpoint

By Stewart Tendler, Crime Reporter

Scotland Yard detectives were last night hunting a convicted robber serving 18 years who was seized at gunpoint from prison officers amid dense traffic on a street in the West End of London...

Scandal of an East-West brain drain

By Roger Boyes, East Europe Correspondent

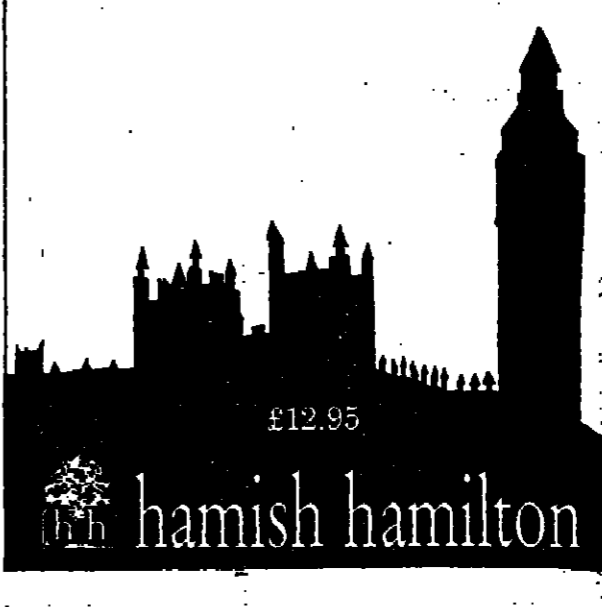
Thousands of human brains have been smuggled out of Hungary for use by Western pharmaceutical companies in a macabre East-West corruption scandal, according to an investigation by the Hungarian authorities...

Curb on gas share sales

Foreigners will be prevented from cashing in quickly on British Gas shares if they are allowed to buy them in the November flotation...

The most candid political memoirs in recent history

JIM PRIOR A BALANCE OF POWER



hamish hamilton

CONSERVATIVE PARTY CONFERENCE

Zero inflation • Help for jobless

Scottish rates reform

EMPLOYMENT

Measures to help jobless are announced

Three initiatives to combat unemployment were announced by Lord Young of Grafton, Secretary of State for Employment, in a speech to the conference in which he emphasized the caring nature of the party and the Government's achievements.



Bournemouth personalities: The Chancellor (left) yesterday and, at a conference ball, Mr Denis Thatcher dancing with Miss Julie Aston.



Chancellor aims at zero inflation

Mr Nigel Lawson, Chancellor of the Exchequer, made clear in his speech to the Conservative Party Conference in Bournemouth yesterday that his aim was still to cut the standard rate of income tax to 25p in the pound.

There was still the challenge of unemployment. As a result of what they had done, youth unemployment was now below the Common Market average and it was falling.

ECONOMY

Lawson is given full support

The conference carried by an overwhelming majority a motion, to which the Chancellor replied, applauding the sharp reduction in inflation and urging the Government to continue its policies.



Lord Young: "You will not be forgotten".

Hurd comes under fire

By Richard Evans, Political Correspondent. Mrs Mary Whitehouse, the anti-pornography campaigner, clashed with Mr Douglas Hurd yesterday over his plan to allow child abuse victims to give evidence in court by video.

FOREIGN AFFAIRS

Kinnock policies derided by Howe

Mr Neil Kinnock's comment at last week's Labour Party Conference that he would not let his country die for him came in for criticism from Sir Geoffrey Howe, the Foreign Secretary.

Tory thought curbed 'by fear of leaks'

By Nicholas Wood, Political Reporter. The intellectual cutting edge of Conservative thinking is being blunted by the climate of suspicion in Whitehall, Mr Geoffrey Patie, Minister of State at the Department of Trade and Industry, said yesterday.

Attack on New Zealand is rejected

A sharp attack by a Yorkshire representative on New Zealand for becoming an anti-British socialist state and a suggestion that the preference for New Zealand dairy products should be ended were rejected by Mr Michael Jopling, Minister of Agriculture, Fisheries and Food, at the end of the debate on food and farming.

RATES

Rifkind tells of Scottish reform

The Bill to reform the Scottish rating system on the principle that those who benefit from local services should make a contribution, will be put before Parliament early in the new session.

COMMENTARY

Labour's 'gift' on defence

That the party was further encouraged by the Labour conference may, at first glance, seem a little strange. Labour was widely judged to have enjoyed a success in Blackpool last week because the conference displayed greater unity than for many years.

ENVIRONMENT

Planning to be updated

The Government intends to bring planning decisions closer to the grass roots while not abandoning planning controls, Mr William Waldegrave, Minister for Environment, Countryside and Planning, told the conference.

ENVIRONMENT

Threat of full sterling crisis

He has to emphasize this, as he must know that nothing could so swiftly lose the ground gained in this conference as a full-blown sterling crisis with sharply rising interest rates.

TODAY'S AGENDA

The conference ends today with Mrs Thatcher's keynote speech. Earlier, there will be debates on drugs and on party policy and public relations.

Building societies say arrears rising amid fears for future trend

By A Staff Reporter

Five building societies have reported an increase in mortgage arrears to double the industry average for 1985, amid concern that the situation will deteriorate further in the next three years if present lending policies continue.



Warnings that relaxed lending procedures have led to a disturbing rise in arrears and repossessions have proliferated since *The Times* began its Home Front series last week.

Government ministers and financial experts are anxious about the social consequences of the growth in arrears and repossessions, which has been caused partly by increased lending multiples and high percentage mortgages.

At the top of the building societies' mortgage arrears is

and 1983. But, he insisted, "we run a tight ship".

He said that the high figures were based on "honest and accurate disclosure", unlike other societies which had only recently relaxed their lending criteria.

Mr Brian Grinyer, deputy chief executive of the Town and Country, rejected the allegation that the smaller societies had been too lax in their lending policies. But he said there had been a rise in lending to first-time buyers, "who are more likely to end up in arrears because of marital problems, unemployment and financial mismanagement".

Mr Ralph Pyett, assistant general manager for the Yorkshire, said that the principle of 100 per cent home loans was "a material factor in the increase in arrears which has forced us to cut back on this type of lending".

Mr Pyett said: "The Yorkshire suffered particularly as a result of the effects of the miners' strike, many of whom are still trying to recover from accumulated arrears. We allowed the miners to fall behind in payments, but we had very little choice".

The Yorkshire experience highlights the growing political sensitivity to society policies on arrears and repossessions. At present most building societies go out of their way to assist borrowers who have fallen behind in repayments, and attempt to repossess only as a last resort.

But the growth in competition, and the consequent increase in lenders' profit margins, could force them to take a much harder line.



Police bringing in one of 13 suspected football hooligans arrested in dawn raids in West Yorkshire as part of Operation Unruly after a riot at a recent Bradford-Leeds match.

'Fat Man' says police mistaken

Terence Matthews, a scrap metal dealer, yesterday denied he was the "Fat Man" who led Chelsea Football Club supporters on an "orgy of violence".

Mr Matthews, aged 26, who weighed more than 19 stone when arrested, told a jury at the Central Criminal Court that a police witness was mistaken when picking him out as the leader of a 30-strong mob which attacked rival fans at Stamford Bridge.

He also said he had no connection with a "vicious" attack on a manager of a public house in Chelsea after the game against Manchester United on December 29, 1984.

Mr Matthews, a father of four from Wandsworth, south-west London, said he went to the game alone and later took his wife, Tracey, for a drink at Henry J Bean's public house in Kings Road.

He pleads not guilty to charges of riot, affray and causing grievous bodily harm to Mr Neil Hansen, the public house manager. The trial was adjourned until today.

Police swoop on football suspects

By Ian Smith

Operation Unruly swung into action at dawn yesterday when police officers swooped on the homes of football supporters and arrested 13 people suspected of involvement in the Odsal stadium football riot in Bradford last month.

Troublemakers were identified by police video recordings at the ugly scenes when rival fans at the Bradford-Leeds game on September 20 tried to tip a van containing boiling fat on top of a crowded stand and almost caused a repetition of the disaster last year when 56

supporters were killed. Police were inundated with calls when they released their video recording for public viewing last Friday and yesterday's early morning raid by uniformed officers and detectives resulted from information supplied by many relatives and friends of those arrested.

Mr Denis O'Toole, assistant chief constable of West Yorkshire police, said later: "Public response has been tremendous, even friends and relatives have come forward to give every help they can."

Fan jailed for threats

A man arrested in Bradford before the Bradford City-Leeds United football match on September 20 was jailed for six months by Bradford magistrates yesterday.

Anthony Kenneth Roberts, aged 24, formerly of Guseley, near Leeds, but now of no fixed address, admitted using insulting or threatening words or behaviour in Bradford centre.

PARLIAMENT OCTOBER 9 1986

Whose home if couples part?

HOUSE OF LORDS

The difficult housing and rehousing problems involved for local authorities, housing associations and voluntary bodies when couples, married or unmarried, separate are to be investigated by a Department of Environment working party with a view to legislative changes.

This was announced by Lord Skelmersdale, Under Secretary of State for Environment, during the resumed committee stage in the House of Lords of the Housing and Planning Bill. The Opposition, in pressing for action, feared there would be further long delay and forced a division. However, the Government had a majority of one, the Labour amendment being rejected by 94 votes to 93.

The amendment sought to insert in Schedule 2 of the Housing Act 1985 grounds for possession of a dwelling when a relationship broke down.

Lady David (Lab), for the Opposition, said representations had been received for a number of years from local authorities, housing associations and voluntary bodies that a change of law in this area was required.

The proposal in the amendment would be voluntary on the landlord and would only work when one or other of the

parties requested a determination. The Opposition wanted to help sort out difficult and distressing situations in a shorter time than recourse to divorce or matrimonial courts involved.

Lord Skelmersdale agreed this was a difficult area. Proposals to make relationship breakdown a ground for possession were by no means new and were resisted at the time of the 1980 and 1984 Housing Acts principally because it was felt this ought to be settled under matrimonial legislation rather than by the public sector landlord.

He recognised there was support for the proposed amendment. The situation in Scotland was not a valid precedent but he accepted it was time they had another look at policy on this point. Officials had already written to the London Boroughs Association and the Institute of Housing.

Once pressure of work on this Bill had subsided, the department would set up a working party to consider carefully the situation in England and Wales. It was complex, involving interaction of housing and matrimonial legislation. An assessment of the consequences of possible changes must be made.

This could not be done in time for this Bill. The amendment might well not be the way to go about it.

Murder on pre-parole

There had been an investigation into the case of William Anderson who murdered a man within a week of release on pre-parole home leave, during the currency of a sentence for stabbing and robbery, the Earl of Calthorpe, Minister of State, Home Office, told peers during question time.

He explained: The Parole Board had full information in front of it. It did not have a psychiatric report, but that could have been provided had they wished it. The Government is satisfied the decision to grant Anderson parole was taken in the light of adequate information about his background and record of offending.

Lord Boyd-Carpenter (C): This case and the concern it caused the judge who tried the subsequent murder case, illustrates the heavy responsibility on the shoulders of those who release dangerous men on parole.

Lord Misham (Lab): This incident must be regarded with horror by everyone. But it would be extremely dangerous and wrong to take an unfortunate case of this kind and try to apply to it a general

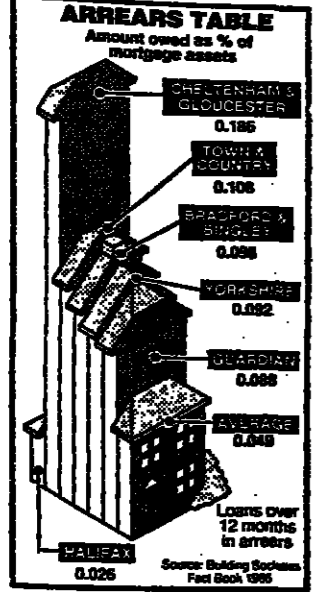
rule in regard to the granting of parole. The Earl of Calthorpe: This was a tragic and horrific event. Judge Hazan, commenting on the case, said the granting of parole and pre-parole leave to enable offenders to adjust to the outside world, was an essential element in any criminal justice system and, rightly used, could rehabilitate offenders. Lord Grimond (L), a former chairman of the Parole Board, said the case was a major failure of the parole system.

Next week

Business in the Lords next week will be: Monday: Housing and Planning Bill, committee stage. Tuesday and Thursday: Financial Services Bill, report stage. Wednesday: National Health Service (Amendment) Bill, committee stage. Friday: European Communities (Amendment) Bill, committee stage.

Parliament today

Lords (11): Debate on completion of EEC internal market.



Decision near on Army music unit

By Michael Evans, Whitehall Correspondent

The Ministry of Defence is on the point of resolving the controversy over the future of the Armed Forces' three military schools of music.

A decision two years ago to abolish the Army's school at Kneller Hall, Twickenham, south-west London, and the RAF's centre of music at Uxbridge, west London, and to merge them at Deal, where they would join up with the Royal Marines, proved unpopular and the ministry was forced to think again.

But now it seems that the ministry's desire to have one defence school of music, based at Deal, may still be realized after an independent inquiry by consultants. Another site at Eastney in Portsmouth is also a possibility.

The report by Arthur Young Associates has been given to Mr Roger Freeman, junior minister for the Armed Forces, and a decision is expected to be announced in the Commons later this month.

The ministry still believes that a single school is the answer. An official said: "The possibility of keeping all three schools is very remote".

If it sticks to the Deal or Eastney option, the political controversy promises to continue because last December it was admitted that the cost of establishing one school at Deal would be marginally more expensive than maintaining the present system of three centres of music.

The Concorde Challenge is almost over.

(But don't worry, there are still more prizes left than many other competitions start with.)

Every day there are still 10 Concorde holidays to Miami to be won. Every week there is still a one-year unlimited travel pass for two to be won. And there's still Concorde to be won for a day. You can enter everytime you fly with us from or within the UK. But hurry, the competition ends on October 31st.

BRITISH AIRWAYS

The world's favourite airline.

Sarah Hemmings

H-bomb power 'tamed' in laboratory tests by British scientists

By Pearce Wright, Science Editor

The power of the H-bomb has been harnessed for the first time in a machine in the laboratory. Temperatures of more than 100m degrees centigrade were reached, when atoms of heavy hydrogen fused together three weeks ago in a machine called JET, at Culham in Oxfordshire.

The process has been repeated in the United States, with temperatures approaching 200mC in the sort of fusion reactions that mimic the processes which fuel the sun.

In principle, the "tamed" version of the reaction that liberates energy in the hydrogen bomb could produce enough power for the world's needs for thousands of years.

The fuel it uses is deuterium, or heavy hydrogen, abundantly available in the oceans.

Unlike the present day nuclear power stations, which split the heavy uranium atom into 100 radioactive waste products, fusion involves forcing two hydrogen atoms together. When they combine, they form the inert gas, helium.

The energy released in the process would provide the source of power for electricity generation.

Some waste would arise because the metal used to

forge the vessel for the fusion machine would become radioactive from neutron bombardment.

There is a controlled modesty among the scientists at the JET laboratory at Culham, and at Princeton in the United States, about the breakthrough. The technical papers reporting their achievements have yet to be published.

But their diffidence has another explanation. They remember a hiatus, more than 25 years ago, when British physicists suggested mistakenly, from experiments with a machine called Zeta, that they knew how to control thermonuclear fusion.

Yet the latest apparatus in Britain and the United States in which fusion has been achieved, by the union of atoms of deuterium, incorporates ideas tested on Zeta. But many other modifications that come from fundamental discoveries in the physics of nuclear reactions are included.

As even the most heat-resistant materials melt at temperatures around 2,000C, it is a challenge to create a hearth for a furnace of earth which burns as brightly as the sun, at more than 100mC.

The answer demonstrated at Culham by a European

team of 500 top scientists and engineers, working with Dr Paul Rebut, the French physicist, depends on creating magnetic bottles.

The JET machine is a £200 million project under a EEC research programme.

Fusion takes place inside a doughnut-shaped vessel. But within that there is an invisible, powerful magnetic container that restricts the super-hot ribbon of heavy hydrogen to a ring smaller than a thread of cotton.

The trick of squeezing the material together, until it becomes fluid-like in the form of a plasma, and then fuses, rests on magnetic confinement. Other ways are being tried using lasers.

The magnetic type of machines are known as Tokamaks. In addition to JET, at Culham, and the TFTR at Princeton, there is another in Japan and one in the Soviet Union.

The JET machine is experimental equipment to prove that fusion can be controlled.

At the end of next month the machine will be modified for the next phase of research destined to end in 1990. Only then, will designers know how the understanding of fusion reactions can be translated into a practical power station.



Twelve people were severely injured yesterday when a double-deck bus plunged 60 feet down a steep embankment in the village of Pontrhydyfan, near Port Talbot, west Glamorgan. The top of the bus, which was packed with shoppers, was ripped off in the crash which is believed to have been caused by a burst tyre. More than 50 people were taken to hospital.

Runcie proposes union with radicals

By Clifford Longley
Religious Affairs
Correspondent

A new church unity movement to bring together theological radicals and traditionalists was proposed yesterday by the Archbishop of Canterbury, Dr Robert Runcie, in a lecture at Yale University.

The price of neglecting this would be new splits and fragmentations in all the churches, he said.

Dr Runcie is in the United

States to deliver a series of lectures at Yale and Harvard universities on contemporary theological themes.

Referring to the controversy surrounding the Bishop of Durham's liberal theological views, Dr Runcie said that the existing ecumenical movement, between churches divided by earlier quarrels, was beginning to answer questions no one was asking any more, and "achieving peace where there was no longer war".

In contemporary controver-

sies, such as over the ordination of women or the literal truth of the Virgin Birth and Resurrection, there was little dialogue between opposing sides, "only caricature, slogans, and mutual anathemas".

In an implicit rebuke to the bishop he added that in his experience there was none so intolerant as a high-minded liberal churchman.

church than with a radical in his own. The new boundaries are not denominational.

There was an urgent need to take seriously the insights of both sides. "If we do not pursue this task the tensions within all the churches will increase until there are new splits and fragmentations."

"If this century has been rightly described as one of ecumenical advance, let us take the precaution of looking ahead and preventing fresh schisms."

The warning comes when

allergy clinics begin courses of treatment, usually between three to six months to desensitize people before the spring attacks of hay fever.

Warning to doctors on allergy injections

By Our Science Editor

A warning has gone to doctors advising them to be cautious in giving courses of injections to protect against allergies: from substances including house dust, pollens, wasp and bee stings, and other natural irritants.

A letter from Sir Abraham Goldberg, chairman of the Committee on Safety of Medicines, says: "Such treatment should only be carried out where facilities for resuscitation are immediately available, and patients should be kept under medical observation for at least two hours."

The concern comes after a small but marked rise in the number of deaths from shock after anti-allergy injections.

While there were only 15 cases in the 22 years up to 1979; the number has slowly risen. In the past 18 months, there have been five deaths.

Preparations for emergency described yesterday by Sir Donald Acheson, chief medical officer to the Department of Health, were for doctors to have supplies of adrenalin and cortisone to hand. Most people will have to be treated in clinics where specialist equipment is also necessary.

Details of the medicines involved are described in today's issue of *The British Medical Journal*. They include extracts of house-dust mite in two drugs: Norisen, involved in three deaths, and Migen, involved in four. More than 24,000 people have been treated with the first, and more than 114,000 with the second.

The substance for protecting against pollen allergy called Pollinex, used by more than 640,000 people has been involved in two deaths. There have been no deaths recorded in the extracts used for wasp and bee venoms; but only a few people have been inoculated against such stings.

The warning comes when allergy clinics begin courses of treatment, usually between three to six months to desensitize people before the spring attacks of hay fever.

Printer spent £100,000 on the horses

A printer who earned £900 a week betrowed £100,000 and spent it gambling on horses, Croydon Bankruptcy Court was told yesterday.

Nicholas Maxwell, aged 43, a linotype operator with the *Financial Times* who earned £46,826 a year, was said to have gross liabilities of £164,668. He had taken out several bank loans and overdrafts, totalling about £100,000.

Mr Maxwell, of Woodlands Road, Bickley, Kent, told Mr Jaffray Mogg, the assistant official receiver: "I was addicted to gambling. I don't smoke or drink."

He put his household and personal expenses for the four years at about £48,000 and said that all the loans and the remainder of his salary must have gone on the horses.

The public examination was adjourned.

Twins have identical operations

Gareth and Nicholas Thompson are twins and so alike in everything they do that they even went down with an identical illness - to the fascination of doctors.

The boys, aged six, were both found to be suffering from dilated kidneys, and they went into the Queen's Medical Centre at Nottingham at the same time for the same operation.

Doctors are so intrigued by the case that the twins' history is to be written up for a medical journal.

Their mother, Mrs Susan Thompson, aged 34, of Beckingthorpe Drive, Botesford, Nottinghamshire, said yesterday: "They do everything alike, so we were not surprised when they were both found to have the same complaint."

Fight to halt Aids may include TV advertising

By Jonathan Miller, Media Correspondent

The Independent Broadcasting Authority has approved in principle a crisis effort to advertise contraceptive sheaths on television as a way to help stop the spread of Aids.

But no advertisements have been made because the Government has not yet allocated any money to pay for them.

Officially, television advertising remains one of a number of options being considered by the Department of Health for the next phase of its £2.5 million Aids education campaign.

But privately, officials acknowledged that television advertising is regarded as highly sensitive and would require ministerial approval.

To be effective, the advertisements would need to

be clinically specific, and would be likely to include a recommendation that homosexuals use specific brands of sheaths designed for the purpose.

"The Government is squeamish," Dr Zerinia Kurtz, medical officer of the Health Education Council, said. The council is lacking the demands for a television campaign but has no money to pay for it.

IBA officials have almost ruled out direct advertising by manufacturers of sheaths. The current IBA advertising code specifically prohibits contraceptive commercials. The relaxation of the ban would be likely to apply only in the case of advertisements sponsored by a third party not mentioning specific brand names.

SYMPTOMS:

DEPRESSION, FEELINGS OF BEING UNWANTED, REJECTED.

DIAGNOSIS:

SEVERE CASE OF TSB OVERSUBSCRIPTION.

TREATMENT:

IMMEDIATE ADMISSION TO THE LEEDS. IF PATIENT HAS £500 OR MORE, PUT ON TO A LEEDS LIQUID GOLD ACCOUNT.

ADMINISTER REGULAR HIGH DOSES OF INTEREST. (AS MUCH AS 2.5% ABOVE ORDINARY SHARE RATE.)

BUT ENSURE PATIENT STILL HAS IMMEDIATE ACCESS TO THE MONEY.

FULL RECOVERY IN MINUTES.

IF YOU FIND YOURSELF CRYING ALL THE WAY FROM THE BANK, COME AND LAUGH ALL THE WAY TO THE LEEDS.

The Leeds
PERMANENT
BUILDING SOCIETY

Build-up
Whit
after

It will

shington
ales claim
defector

two-MPs un
to end visa

cuts off
of giant
bus

O'Brien cancels Cape lectures after threat of violence on campus

From Michael Hornsby Johannesburg

The Irish scholar and journalist, Dr Conor Cruise O'Brien, has cancelled his remaining three lectures at the University of Cape Town after being informed by the Vice-Chancellor that if he went ahead there was likely to be serious violence on campus.

Dr O'Brien also had to abandon plans yesterday to give a pre-lunch lecture at the University of the Witwatersrand in Johannesburg when militant students, predominantly black, made it clear that he would be shouted down if he tried to speak.

In an interview with *The Times*, Dr O'Brien, who was visibly upset by his experience, said he had been the target of an "academic necktie" — a reference to the petrol-soaked tyre used in the black townships to burn to death people deemed to be government collaborators.

Opposition to Dr O'Brien's presence in South Africa began to build last week as he came to the end of a five-week course of 15 lectures at the University of Cape Town. The last three of 12 lectures he gave were seriously disrupted. "I was put in the position where if I went on, and someone was badly hurt, I

would be responsible, and I didn't want that," Dr O'Brien said. "The militant students are feeling their power, and I think they will try and extend it over other students, over the faculty and over the university as a whole."

Before he left for South Africa last month with his adopted black son Patrick, Dr O'Brien wrote an article in *The Times* passionately

criticizing the international academic boycott of South Africa. He wrote that he would be glad to have his visit to Cape Town seen as "a gesture of defiance against an intellectually-disreputable attempt to isolate what I know to be an honest, open and creative intellectual community."

Students at Witwatersrand yesterday refused Dr O'Brien an uninterrupted hearing and offered instead to engage in an "open debate" with Dr O'Brien on the issue of the

academic boycott but he declined what he called "another punishment session".

Last Thursday at Cape Town students asked, "Why have you come here to mock the suffering of the people?" Dr O'Brien said.

Opposition to the visit comes mainly from black students belonging to the Azanian Students' Organization (Azaso), an affiliate of the United Democratic Front (UDF), a broad multi-racial alliance of anti-apartheid groups. A minority of white students also support the academic boycott.

About 15 per cent of the students at the two universities are black. Both universities are staunch opponents of apartheid and practise a colour-blind admissions policy. Inferior schooling and lack of financial resources severely limits the number of blacks who gain entry.

The Government also has the power, so far not invoked, to impose a ceiling on the number of blacks entering "white" universities if it thinks the proportion is becoming too high. Black students are not supposed to live on campus, though many do in defiance of the law.



Mr David Steel, the Liberal leader, walking with a child from Cape Town's black squatter community yesterday.

IRA nets £5m from Norwegian fish fraud

From Tony Saunetog Oslo

The Norwegian banking establishment, among the most tightly controlled in Europe, is reeling after reports that the IRA has pulled off a bizarre swindle involving up to £5 million.

A man, described as a known IRA sympathizer, is said to have pulled off an elaborate scam involving tons of stockfish, mostly dried cod, which were to be sold to Nigeria. The Irishman was paid more than £2 million while acting as intermediary in the deal, involving the Tromso Savings Bank (TSB), a leading Norwegian exporter, and the Northern Bank of Dublin Bank, which acted as guarantor.

But at some stage a large part of the catch went missing — and so did the Irishman. There is little doubt here that the cash has gone straight to the IRA.

"We hope it is a dream," said Mr John Schjelderup Olaisen, a director of the TSB. "It is almost as if we can't believe we have woken up."

According to the Norwegian Ministry of Foreign Affairs the fish exporter concerned, a family firm based in northern Norway, faces bankruptcy in the deal, which is said to have totalled almost £15 million.

Kohl's party brims with confidence for January poll

From John England, Bonn

If self-confidence alone could win a general election, the West German federal poll in January would be a steal for Chancellor Kohl and his Christian Democrats (CDU).

They are now brimming with a sureness about themselves and their future that borders upon hubris following their pre-election congress in Mainz this week.

Held against a background of encouraging opinion polls and a further dip in unemployment in September, Herr Kohl echoed the conviction of the 780 delegates when he said: "We are the government party."

Barring accidents, to which Herr Kohl in the past has been prone, in the run-up to the election on January 25, he may well prove to be right. Despite a relatively dull keynote speech, he has emerged from the conference with greater standing in the party both as its national chairman and as Chancellor.

His leadership is not in question, there is no obvious crown prince waiting in the wings, and the CDU is rallying around him in a display of unity that must be worth a few extra points in the polls.

The party's *Manifesto for the Future*, presented in Mainz by Dr Heiner Geissler, the witty, sharp-tongued CDU secretary-general, was also an exercise in confidence of government into the 1990s.

The document, with its emphasis on "humanized" new technology, caring programmes for families and the elderly, protection of the

environment and efforts for peace, stakes a claim to territory occupied so far by the Social Democrats (SPD) and the Greens.

One West German newspaper commented yesterday: "The manifesto is half-baked, but represents the first attempt by the CDU to take the initiative in this debate."

Another newspaper said: "The manifesto is meant mainly for the campaign, but even a conservative party has good chances here to hold its own in this debate and maybe a better one than the competition."

Herr Kohl's confidence about the outcome of the election led him to scura any idea of a so-called Big Coalition with the SPD in the event of a tight finish. The last alliance of this kind in Bonn was in 1966-69.

Herr Kohl believes he can stand upon the record of his conservative-liberal coalition of the last four years.

The CDU's slogan for the election campaign is: "Carry on Germany — for a good future." In other words: "No experiments," the slogan with which Dr Konrad Adenauer did well in the 1950s. Herr Kohl has described himself as the "grandson of Adenauer," who held the chancellorship for 14 years.

The slogan was well received by the party faithful in Mainz, but will probably hit the right note among voters even if Herr Kohl may never match the years in office of his political grandfather.

Nicaragua to charge American

From Alan Tomlinson Managua

An American whose plane was shot down over Nicaragua on Sunday as it dropped supplies to US-backed rebels may soon face trial here on a number of charges, possibly by a military court, a Government official said.

Miss Angela Saballos, a Foreign Ministry spokeswoman, said the method by which the American, Mr Eugene Hasenfus, would be tried was still being studied.

Mr Hasenfus is the first American to be captured during the four years that the United States has been assisting the Contras.

Asked what charges he might face, Miss Saballos replied: "Oh, so many things." They included violating Nicaraguan airspace and aiding enemies of the state. The Nicaraguan Army alleges he is a United States military adviser stationed in El Salvador and has publicly produced identification issued by the Salvadorean Air Force.

The US Government has emphatically denied this, claiming the captured man belongs to a group of private American citizens who are assisting the Contras.

The State Department complained on Wednesday that American officials in Managua were being denied access to Mr Hasenfus. Embassy officials were called to the Foreign Ministry on Wednesday night to be told they will be allowed a consular visit to the prisoner. They will also be given the remains of the two Americans who died in the incident, William Cooper, the pilot of the plane, and Wallace Blaine Sawyer, the co-pilot.

The US officials were handed a formal protest note describing the affair as "irrefutable proof that the central American conflict is accelerating towards a Vietnamisation with tragic costs in human lives."

WASHINGTON: Two congressional inquiries are to be launched into the arm-carrying cargo plane shot down in Nicaragua (Christopher Thomas writes). Most congressmen seem satisfied with White House and State Department denials of government involvement.

Shuffle in Army aids Pinochet

From A Correspondent Santiago

Promotions and retirements in the Chilean Army appear to strengthen the hand of its commander, President Pinochet.

Among the seven retiring generals are General Luis Danus and General Gaston Frez, who represented a mildly nationalistic line within the Army. They were critical of the prevailing economic policies of the "Chicago boys" (disciples of the strict monetarist theories of Dr Milton Friedman).

General Danus, administrative head of Chile's southernmost region for the past two years, had cultivated good relations with the Roman Catholic Church. President Pinochet has had various clashes with the hierarchy recently, despite the impending visit of the Pope in April.

General Danus was also friendly with the outspoken US Ambassador, Mr Harry Barnes, with whom the President is scarcely on speaking terms. General Danus had been due to retire this year, but General Frez's departure was unscheduled.

President Pinochet now appears to have cleared his own ranks of possible dissidents. He needs to have his hands free to deal with the growing dissent in the other three services.

In the Navy, the only force which could seriously challenge him, the annual round of promotions announced last month seems to have strengthened the band of the "professionals" who favour an orderly retreat from government on schedule in 1989.



General Humberto Gordon: new junta member.

British Everest expedition Leader orders descent to recover strength

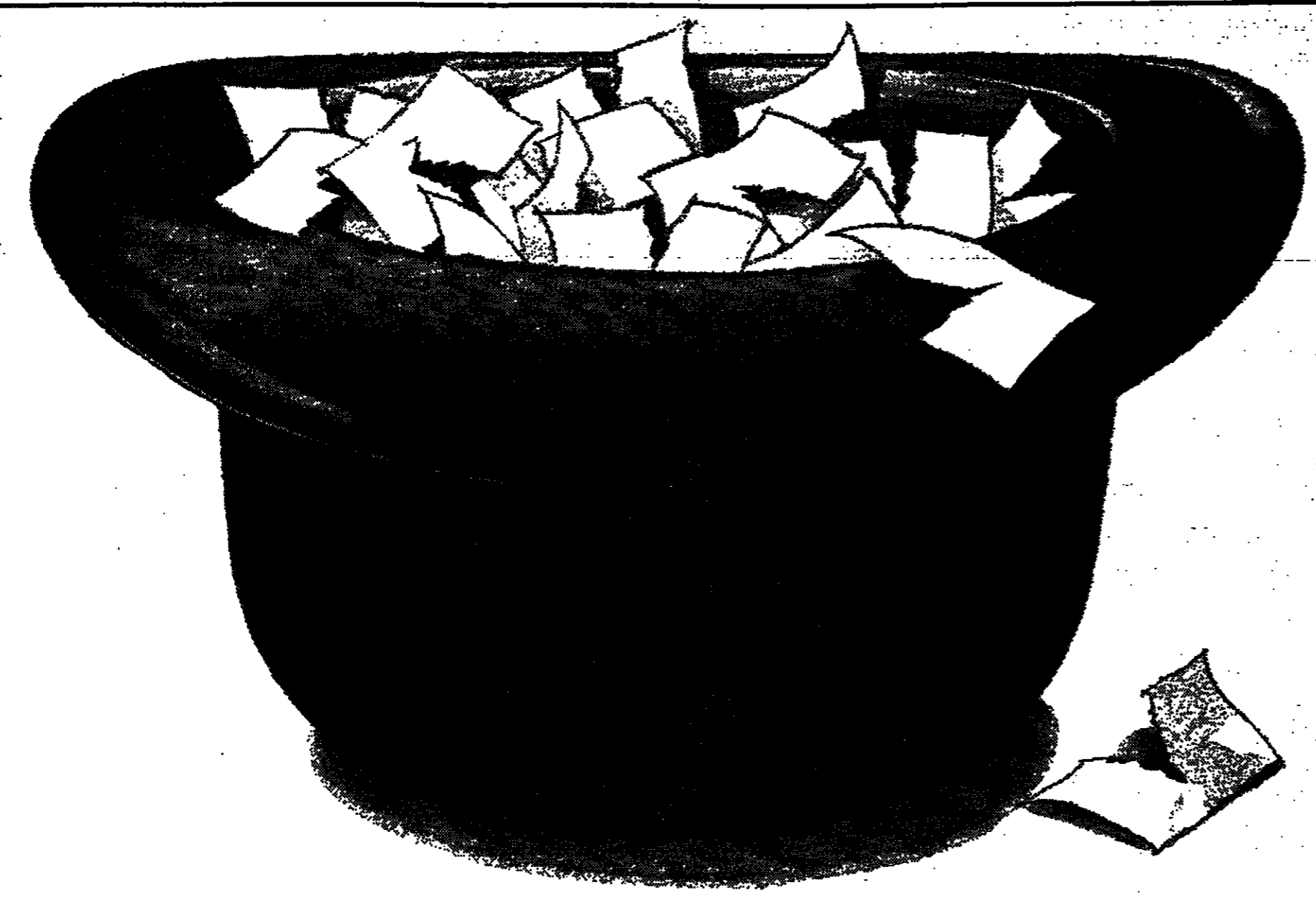
From Ronald Faxx, North-East Ridge, Mt Everest

The leader of the British expedition attempting to climb the previously unclimbed north-east ridge of Mount Everest, Mr Brammie Stokes, has decided to withdraw most of the climbers from the mountain when Camp Three, at nearly 26,000 feet, has been stocked. The camp is immediately in front of the pinnacles, high spires of rock and ice which should prove the difficult crux of the climb.

He said: "Considering the bad snow conditions and a storm that sent everyone down the valley for a week, progress has been quite good. Unfortunately half the 18-

some kind of health problem: head, chest or stomach, so the original plan of having teams of four taking turns to push the route forward has been abandoned.

The climbers will descend to base camp at 17,000 ft on the Rongbuk glacier to recover strength. British and American teams are now attempting to climb Everest. The British team, known as the Selwyn Harris Mount Everest 1986 Expedition, is working on the expectation — based on weather records — that the best time for a post-monsoon summit bid is in mid-October, after which the freezing jet-stream winds descend to make



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Assad ready to stem tide of Islamic fundamentalism

Syria's alliance with Tehran under strain as Gulf War push nears

Syria's growing concern that Iran may occupy large areas of Iraq if its forthcoming offensive is successful is producing signs of strain in the Tehran-Damascus alliance.

A statement by President Assad that Syria "would not accept the occupation of Iraqi territory" provoked considerable anger in Iran, and the Syrians suspect that the mysterious kidnapping and subsequent release of their Consul in Tehran last Friday may have been a response to the President's words.

Syria remains a principal conduit for arms supplies to Iran. The Iranians have become so troubled by President Assad's remarks in the crucial period before their offensive that the head of the Iranian Revolutionary Guards, Mr Mohsen Rafiq Doost, has been dispatched to Damascus for what is officially described by the Syrians as "an exchange of important information".

Mr Doost is anxious to find out exactly what President Assad meant when he said in an interview with Jordanian journalists last month that Syria would not accept the occupation of Iraqi land "by any party, because it is Arab land".

The Syrians have always said that their support for Iran in the Gulf War would not include an Iranian invasion of Iraq, even though President Saddam Hussein's Baathist regime in Baghdad is hated by the Assad Government.

When the Iranians captured part of the Fao peninsula in Iraq on February 12, the Syrians discreetly forgot to invoke their condition, but a

From Robert Fisk, Beirut

full-scale Iranian offensive along the Gulf War front lines in the near future could not be so conveniently ignored.

King Hussein of Jordan has been trying to persuade President Assad to counsel restraint on the Iranians - a commodity in short supply in Tehran - but Damascus is still heavily dependent on cheap Iranian oil to support its weak economy.

The best the Syrians can hope for is an influential role

Moscow will send back to Iran industrial experts withdrawn last year when Iraqi air raids escalated, Tehran Radio said yesterday (Reuter reports).

President Gromyko of the Soviet Union told the new Iranian Ambassador in Moscow, Mr Nasser Kheirani Nohari, that the experts would be returned "to consolidate economic co-operation between the two countries", the radio said.

in preventing the spread of the war to the Arab oil states along the Gulf littoral. This, at least, is what the Syrians themselves have been trumpeting to their Arab neighbours.

The situation, however, is complicated by two other factors. President Assad's fears for Syria in the event of an Iraqi collapse, and the continuing drama of the American and French hostages in Lebanon, whom he has said he will try to free.

The "Islamic Jihad" movement, which holds most of the hostages, is pro-Iranian by sentiment but apparently not under Tehran's direct control. The curious abduction of Mr Iyad Mahmoud, the Syr-

ian Consul in Tehran, last week was seen in Damascus as a warning by some elements of the Tehran Government that President Assad had gone too far when he objected to the possible results of the Iranian offensive.

Mr Mahmoud's kidnapping by gunmen driving an ambulance and his subsequent release was reported with distinct reluctance in Tehran and Damascus as both sides tried to belittle the importance of the incident.

If the Iraqi regime collapses Syria will become the only ideologically secular Arab state left in the area. It might be only a matter of time after the defeat of Iraq before the Iranians cast covetous eyes upon the more fundamentalist of President Assad's opponents inside Syria.

The Muslim Brotherhood in Syria - though shattered in 1982 by the legions of Mr Rifaat Assad's "defence brigades" at Hama - still exist within the predominantly Sunni Muslim community.

The Sunnis of central Syria have many close ties with the Sunnis of the northern Lebanese city of Tripoli, whose leading preacher, Sheikh Sa'eed Shaaban, has already declared for an Islamic republic in Lebanon.

The Syrians have been quite prepared over the past six years to watch Iraq's painful losses in the Gulf War, but they are in no mood to contemplate the logical results of an Iranian victory, a tide which could lap across the borders of Iraq in ways every bit as devastating as a military offensive.

UN envoy bids to halt Iran offensive

From Zoriana Pysariwsky New York

Señor Diego Cordóvez, the United Nations Under-Secretary-General, is to visit the Gulf region in the hope of forestalling a huge Iranian offensive and exploring ways of bringing the war between Iran and Iraq to an end.

His peace initiative follows a directive issued by the UN Security Council, which on Tuesday adopted unanimously a resolution urging Señor Javier Pérez de Cuellar, the Secretary-General, to intensify his mediation efforts. The council strengthened its call for an immediate ceasefire and withdrawal of forces on both sides to their internationally recognized borders.

According to the council measure, Iran has until the end of November to make at least a tentative gesture of good will. It is hoped that by that time it will have either carried out its offensive with less than resounding success or lost the opportunity through indecisiveness. In either case it might be dispirited enough to begin haggling for peace.

Señor Cordóvez will aim to strengthen the hand of the moderate faction in Iran and to prompt the leadership to be more amenable to an understanding that the war should be kept on simmer if not actually brought to a close.

Foreign ministers from the neighbouring Gulf states expressed alarm in the debate that the conflict might spill over their borders, despite Iran's claims that it was seeking a regional arrangement to prevent a wider war.

It was this concern that prompted the 21-member Arab League to request the urgent council meeting.



President Mitterrand showing his skill at table football at the opening of a foundation for orphans in Paris. His opponent is the singer Jean-Luc Lahaye, who created the foundation.

EEC protests after Jakarta kills nine

By Nicholas Beeston

Indonesia yesterday announced that it had executed nine communists after 21 years of imprisonment, bringing swift protests from the EEC and human rights groups.

The armed forces spokesman in Jakarta, Brigadier-General Pieter Damanik, said the men, all aged in their 50s and 60s, were shot by firing squad after all appeal procedures were exhausted.

In London, Lord Avebury, chairman of the Parliamentary Human Rights Group, condemned the delayed executions and claimed they were intended as a warning to political dissidents in Indonesia.

"It is doubly inhuman to keep someone in prison for a lifetime and then execute him," he said.

Islamabad accused of atrocities

From Hasan Akhtar Islamabad

Miss Benazir Bhutto, chairman of the opposition Pakistan People's Party, has alleged that security forces have burned down several villages in Sind and committed atrocities as vengeance against her party, a Lahore newspaper reported yesterday.

This new type of crime culture had been introduced by the Government on the pretext of eliminating dacoits (bandits) she said.

She related claims that her party had failed and said that in spite of repression which led to the arrest of 20,000 political workers in August and the deaths of scores of people, it had been successful.

Russians search for missing polar base

Wellington (Reuter) - The Soviet Union is mounting a large expedition in an attempt to save an Antarctic research station thought to have disappeared in the Weddell Sea region, the Novosti press agency said yesterday.

The agency said that an IL 18 transport aircraft left Moscow earlier this week for the Antarctic. The plane would be followed by six ships, including the supply vessel Mikhail Somov which last year had to be rescued after being trapped in pack ice for several months.

The station, Druzhnaya 1, is unmanned during the southern winter. Its apparent disappearance was announced last week after Soviet scientists said satellite photographs of the area showed no trace of the buildings.

Novosti said the station was built near the edge of the vast Filchner ice shelf between the Antarctic peninsula and the Queen Maud Land region.

Parts of the constantly moving ice shelf split into huge icebergs - each about 60 miles across - last week.

Scientists said last week that it was unclear if the station had fallen into the sea or was floating undetected on an iceberg.

Druzhnaya 1 was set up in 1976 to conduct geological and physical studies in the Weddell Sea area, Novosti said. Argentine and British stations in the area were apparently undamaged.



Israeli President optimistic

Herzog says Arabs favour negotiation

From Ian Murray, Jerusalem

The Arab population of the occupied territories has yet to see the idea of a military struggle against Israel and is seeking a solution to the Palestinian problem through diplomatic means, according to President Herzog in an optimistic interview with The Times.

Although there is still support for the Palestine Liberation Organization (PLO) in the territories, he said, it was only conditional. The people would only support the PLO if it abandoned armed struggle and tried to reach a negotiated settlement.

He talked privately with Palestinians from the territories every week. "I am not going to say that they are going to become prominent members of the Zionist movement overnight, but they do say things here that they would never dare say outside, because they are frightened of terrorist activities."

"But many, many of them

have told me that while they would never, of course, want to live under Israeli rule, they would never want to live without an association of some sort with Israel, because of their exposure to our democracy. They do not accept our position or point of view, but if they were free to go without danger of assassination, they would go a very, very long way."

He admitted there were problems with extremists, but these were becoming common throughout Arab countries.

The movement towards peace was going on all the time by what he called "an imperceptible process". Few years ago he would have been laughed out of court if he had predicted that one day it would be possible to catch a bus from Tel Aviv to Cairo, but now this happened every day. He was sure it would be possible to catch a daily bus from Jerusalem to Amman long before another 10 years passed.

"We have become part of the Middle East... certainly the concept of negotiation with Israel is accepted. The debate is now on what conditions do you negotiate."

Next week's handover of the prime ministership from Mr Shimon Peres to Mr Yitzhak Shamir would not stop the "imperceptible process". The search for peace, he said, had not so far reached a point where the various party positions would create a stalemate. He claimed credit for having realized two years ago that the public wanted a coalition.



Mr Herzog: Arabs have set aside military solution.

Peres threatens rupture if peace talks frozen

From Diana Geddes, Paris

Mr Shimon Peres, the outgoing Israeli Prime Minister, said here yesterday that he would not hesitate to provoke a rupture in the coalition Israeli Government if the Middle East peace process he began were frozen.

Mr Peres is due back in Israel today, after a two-day visit to Paris. Although the visit was described as private, he met with President Mitterrand and on Wednesday with M Jacques Chirac, the French Prime Minister.

Talks centred on the Middle East and that area's links with terrorism in France. Mr Peres paid tribute to the French Government's firm treatment of terrorists.

He made it clear, however, that Israel had no intention of agreeing to a UN request to withdraw its forces from southern Lebanon.

Asked whether he thought Syria was implicated in the recent spate of Paris bombings, he said: "Until now, Syria has played an important role in international terrorism."

Asked about possible Iranian links with the bombings, he said there was an Iranian

connection through the Shia Muslim Hezbollah, "Party of God", which has become very strong in Lebanon and receives its orders direct from Tehran.

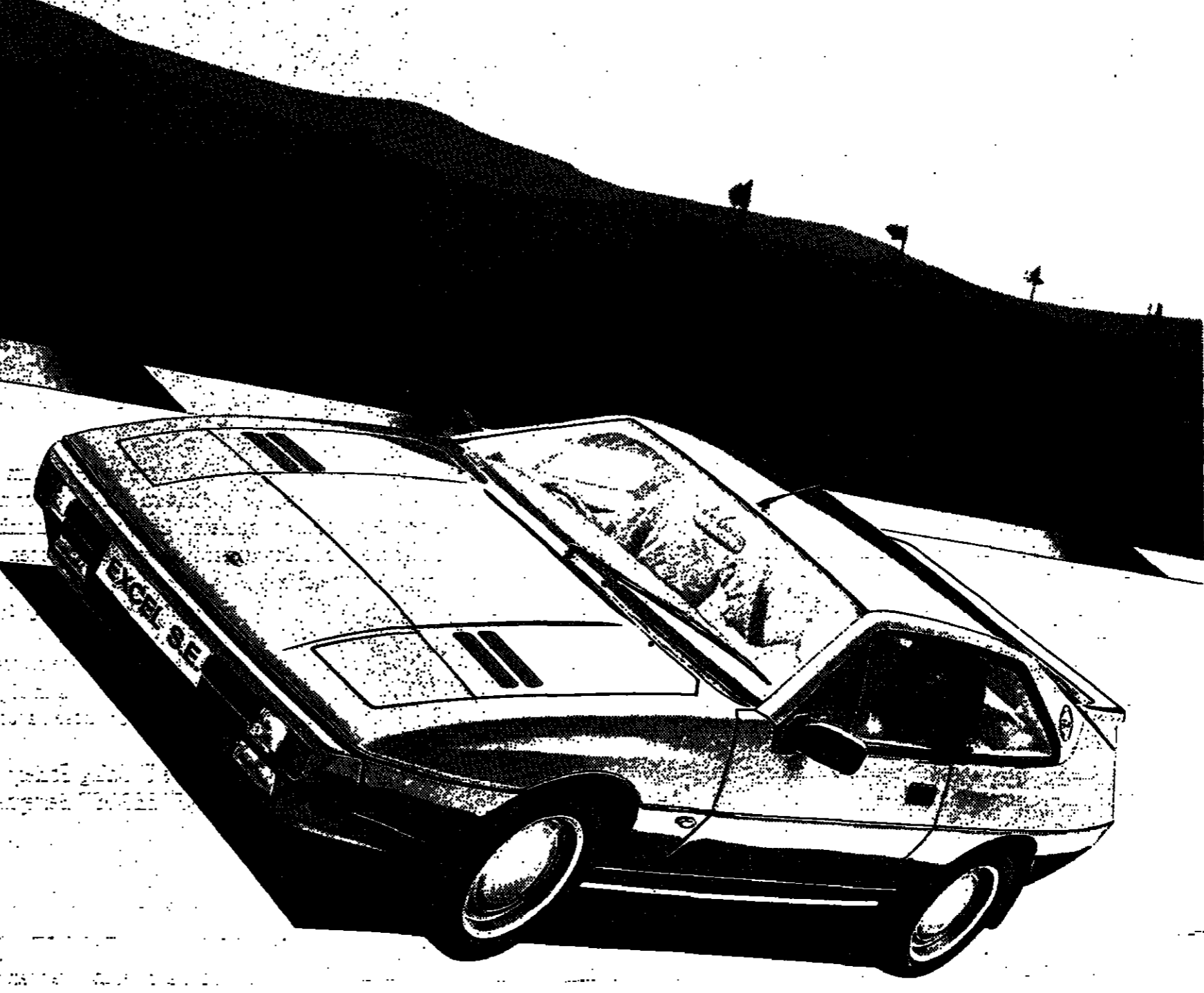
In France, there is marked criticism of what some believe to be the Government's muddled, even contradictory attitude towards the Middle East, terrorism and hostages.

M Lionel Jospin, first secretary of the Socialist Party, effectively tore up on Wednesday the tacit agreement of national consensus observed on these issues. He accused the Government of "too many grand phrases and not enough concrete acts".

M. Jean-Claud Gaudin, leader of the centre-right UDF Parliamentary party, said the Government must fight terrorism by naming directly the states involved.

Surprise result: M Roland Dumas, the former Socialist foreign minister, was elected against all expectations, as president of the Foreign Affairs Commission of the right-dominated National Assembly yesterday as a result of divisions within the centre-right UDF party.

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R A C E - B R E D F O R T H E R O A D

Sarah Hemmings

Academy hits at Tito and calls for end to party monopoly

From Dassa Trevisan, Belgrade

A group representing some of Yugoslavia's most outstanding intellectuals is the first official institution openly to condemn the Communist Party's political monopoly and has called for the introduction of political pluralism.

The Serbian Academy of Sciences, in a draft memorandum published in a Belgrade newspaper, has warned that unless liberal reforms are introduced the current federal system may disintegrate.

The memorandum, which was to be sent to the Federal Assembly, is implicitly critical of the late President Tito and the Communist Party's past national policies. It states the present federal system is a continuation of the old, much-detested communist policies.

Government authorities have accused the Academy of harbouring Serbian nationalists and of aspiring to political power.

As well, a letter signed by 19 prominent Belgrade intellectuals, including many members of the Serbian Academy of Sciences, which calls for greater democratic freedoms,

has been sent to the Yugoslav Parliament. The letter demands fundamental changes in the political system, the abolition of the party monopoly, freedom of the press and immediate free elections.

"No one can hold power forever and indefinitely only on the grounds of his earlier victories and merits," the letter states.

Prison case: The Foreign Minister, Mr Raif Dizdarevic, regretted yesterday that Washington had dramatized the case of a Yugoslav-born man sent to prison in Yugoslavia, for joining protests in the US at Yugoslav policy.

The Reagan Administration had indicated outrage over the jailing for seven years of Pjer Ivezaj, aged 30. The Yugoslav news agency Tanjug, reporting his trial, described him as a Yugoslav citizen. The US said he was a naturalized American.

The Titograd court was told that protests had been held in Detroit, Washington and Chicago in favour of Albanian nationalists in the mainly-Albanian Yugoslav autonomous province of Kosovo.



Zhang Meijun (right), master of woollen embroidery in Shanghai, putting some last minute touches to his portrait of the Queen before it is presented to her as a gift from the city.

Royal visit to a Shanghai cleared of decadence

From Robert Grieves, Shanghai

When the Queen visits Shanghai next week the city she will see will bear little resemblance, except in its crumbling architecture, to the decadent seaport of the 1920s and 1930s.

Gone are the opium dens, the race track, the stark contrast between rich and poor, and the civic cold-heartedness that allowed 35,000 homeless people to die on the streets in a single year in the 1930s.

Gone too is the glamorous city built by merchant princes such as the Sassoons and the Harboons, the glittering metropolis that inspired Noel Coward to write *Private Lives*, and that became famous for the beauty of its women and the wealth of its underworld criminals.

Instead the Queen and her entourage will find a relatively boring but complex city of 12 million people, once the largest in China but now eclipsed by Shanghai's 13.8 million population.

Shanghai is the city that China looks to for the lead in fashion and for quality products. The label "Made in Shanghai" sells goods in a country where brand-name marketing is still in its infancy.

Today Shanghai faces a host of problems. Its sources of water for human consumption and for industry are growing scarce as its water

table becomes increasingly polluted.

Its roads are crumbling, and it needs a subway as well as more bridges across the Huangpu. Less than 50 per cent of telephone calls within the city are completed, and the average living space per person is less than 16 square feet.

Most vexing of all, at least in the eyes of Peking's leadership, is Shanghai's failure to match other regions of China in developing its industrial and

reformer policies, are deliberately sabotaging efforts to carry them out.

Western businessmen have also become fed up with Shanghai. "The Shanghaiites think that because they have a reputation for cutting shrewd business deals they have to stick it to the foreigner every time," the representative of a Western company here said.

In the past two years IBM, Nike shoes and Crocker Pacific Trading Corporation, along with other companies, have pulled out of the city.

When Mr Zhao Ziyang, the Premier, visited Shanghai in December 1984, he effectively told the leaders to get their house in order. Perhaps as a direct result, Mr Wang Daohan, the Mayor, was ousted last year and replaced by Peking's man, Mr Zhang Zemin.

So far Mr Zhang has kept a low profile, prompting Western speculation that an internal clash between hardliners and Dengists has temporarily halted Shanghai's waning of foreign business.

Still, Shanghaiites are better off now than they were in 1980, when Royal Navy vessels visited the port city. "The people are better dressed and more cheerful than last time," Commander John Ellis, captain of *Amazon*, said. "The city is quieter, there are fewer bicycles and more modern cars."

The Queen in China

commercial base along the lines of Mr Deng Xiaoping's open-door policy.

Shanghai officials claim that this is because the city was more developed to begin with and because the Peking Government skims the cream off its productivity in the form of taxes. The city generates one-seventh of China's entire tax revenue.

One reason for its development problem is that it is still a centre of old-line Maoism. During the 1966 to 1976 Cultural Revolution Mrs Jiang Qing, Mao's wife, and the Gang of Four made Shanghai a left wing stronghold. Some Western diplomats believe that die-hard Maoists, disgruntled by Mr Deng's

Ershad rounds up dissidents

From Ahmed Fazl, Dhaka

More than 70 dissidents were arrested and politicians' homes searched in Bangladesh on Wednesday, followed Monday's ban on demonstrations. Violation of the ban carries a seven-year jail term.

The arrests, in which prominent members of Sheikh Hasina's Awami League were rounded up in Dhaka and three other big towns, came as she and other leaders pledged

to hold a grand rally in the capital on Monday.

General Ershad, who retired as Army chief in August, is the candidate of the Jatiyo Party. He declared in Jessore district that Sheikh Hasina was committing acts of treason by allegedly asking the Army to overthrow his Government.

US Navy ships to pay port call on Qingdao

From Our Correspondent, Peking

Three US Navy warships will visit the Chinese port of Qingdao next month, Mr Caspar Weinberger, the American Defence Secretary, has announced.

Last year a scheduled US Navy port call at Shanghai was postponed when a controversy arose over whether the ships were carrying nuclear weapons.

It is Peking's policy not to

allow foreign ships carrying nuclear weapons into Chinese ports. Washington's policy is neither to confirm nor to deny the presence of nuclear weapons on US naval vessels.

The three vessels involved in next month's port call — a Spruance class destroyer, a guided missile carrier and a guided missile frigate — will visit Shanghai from November 5 to November 11.

Columbus landfall is resolved

From Christopher Thomas, Washington

It seems that Columbus did not land on the Bahaman island of San Salvador. After five years of computer-aided research, the National Geographic Society has concluded that he dropped anchor at an uninhabited speck of an island known as Samana Cay, 65 miles to the south-east.

The findings are based on a new translation of Columbus' log and the discovery of the true length of 15th century Spanish units. Archaeological digs have uncovered Indian artefacts on Samana Cay, lending further credence to the story.

Mr Joseph Judge, a senior associate editor of *National Geographic*, said: "We believe we have solved, after five centuries, one of the grandest of all geographic mysteries. We think we have demonstrated conclusively that this matter is finally settled. Most of the history books are wrong."

San Salvador was known as Watling until it was changed in 1926 to correspond with the name Columbus gave to his landing site. Archaeologists have worked there for countless years to build up a picture of the lifestyle of the Indians Columbus supposedly encountered when he landed. Nobody has really bothered with Samana Cay, a nine-mile long patch of land.

The study involved historians, archaeologists, navigators, cartographers and other experts. If Samana Cay was the landfall site, it would prove that Columbus was a remarkable seaman, since it is surrounded by treacherous reefs and coral heads. For scores of years scholars have argued in favour of at least nine islands along a 400-mile arc in the Bahamas and to the south as Columbus' first landfall.

National Geographic is certain that nearly all experts will be convinced by the findings and many have already announced their conversion.

Widows in visit to war graves

Jakarta (Reuters) — Indonesian Army buglers sounded *The Last Post* and the Union Jack dipped to half-mast yesterday as 24 British widows, paid last respects to husbands killed in World War Two.

The group arrived early this week to visit the graves of their husbands for the first time, reawakening grief dormant for more than 40 years. "I didn't think we should ever come here," Mrs Joy Reynolds said in a trembling voice.

For Mrs Olga Parnham the visit to her husband's grave evoked feelings of strangeness and sorrow. "I spent only 10 days with him after we were married in 1941 and never saw him again," she said after the poignant 15-minute service at an Allied Forces cemetery in Jakarta.

Yesterday they went to look for their husbands' graves in the well-landscaped cemetery grounds. The experience seemed to leave them drained as they sat slumped in the chapel, sobbing and holding each other.

Nearly 1,000 identified soldiers from Commonwealth nations are buried in the Palo Menteng cemetery. Another 225 lie in graves marked: "Known unto God."

Thousands of British troops were killed or captured in land, air and sea battles when Indonesia — then the Netherlands East Indies — fell to the Japanese on March 12, 1942. Hundreds died in wretched conditions in prisoner of war camps on Java, Borneo (Kalimantan), the Celebes (Sulawesi) and the Moluccan Islands.

British and Dutch prisoners from Java were among thousands forced by the Japanese to work on the infamous Burma Railway, whose sufferings were chronicled in the novel *The Bridge on the River Kwai*.

After the Japanese surrender some survivors brought back to Java wooden railroad sleepers that were fashioned into the cross in the chapel of the Allied cemetery in Jakarta.

Rash of strikes dents Swedish efficiency

From Christopher Mosey, Stockholm

Foreigners living in Sweden are constantly amazed by the country's remarkably efficient infrastructure.

Public transport is the most obvious example with buses, the Stockholm Underground and commuter trains all running punctually.

But today no buses will run in Stockholm and on Sunday the Underground will be closed. Commuter trains will no longer leave on time. Earlier this week buses in several provincial towns ceased running.

The reason is industrial action by public sector workers claiming pay parity with the private sector.

The same basic dispute has led to the cancellation of all operations except cancer cases at Danderyd, one of Stockholm's main hospitals.

Nearly 620,000 workers are involved in some form of industrial action. There is mounting pressure on the Government to step in, but no sign as yet that the Prime Minister, Mr Ingvar Carlsson, is ready to do so.



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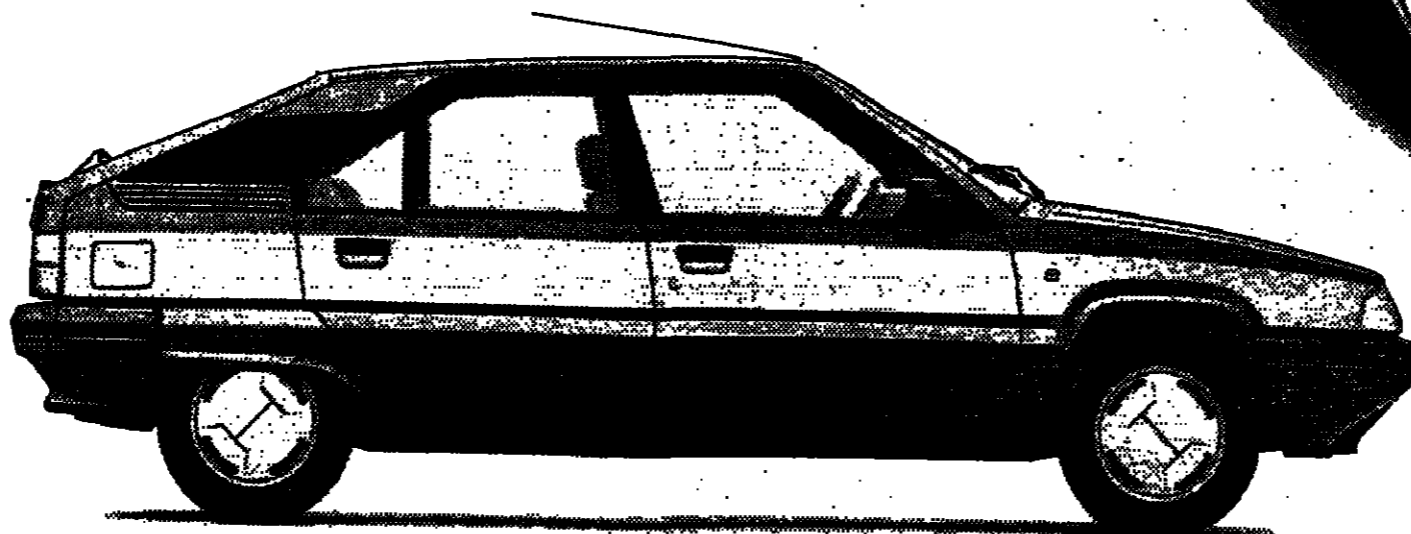
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Wh

David Miller

Why we do
-by the six

ASTRALIA

FRANCE



هكذا من الأهل

SPECTRUM 1

Who will be lord of the rings?

The fight to host the 1992 Olympic Games enters its last round next week when the meeting to choose the host city begins. David Miller assesses the competition

The 85 or so of the 90 members of the International Olympic Committee (IOC) who are expected to travel to Lausanne next week to decide the host cities for the 1992 Olympic Games, summer and winter, will be unpredictably governed by an intriguing complexity of largely subjective factors.

These include allegiance to politics, language, geography, emotional loyalty, private "exchange-vote" deals, and simple, unashamed touristic attractions. Objective assessment of the sporting suitability of the six summer games and seven winter games candidates may or may not penetrate their reasoning.

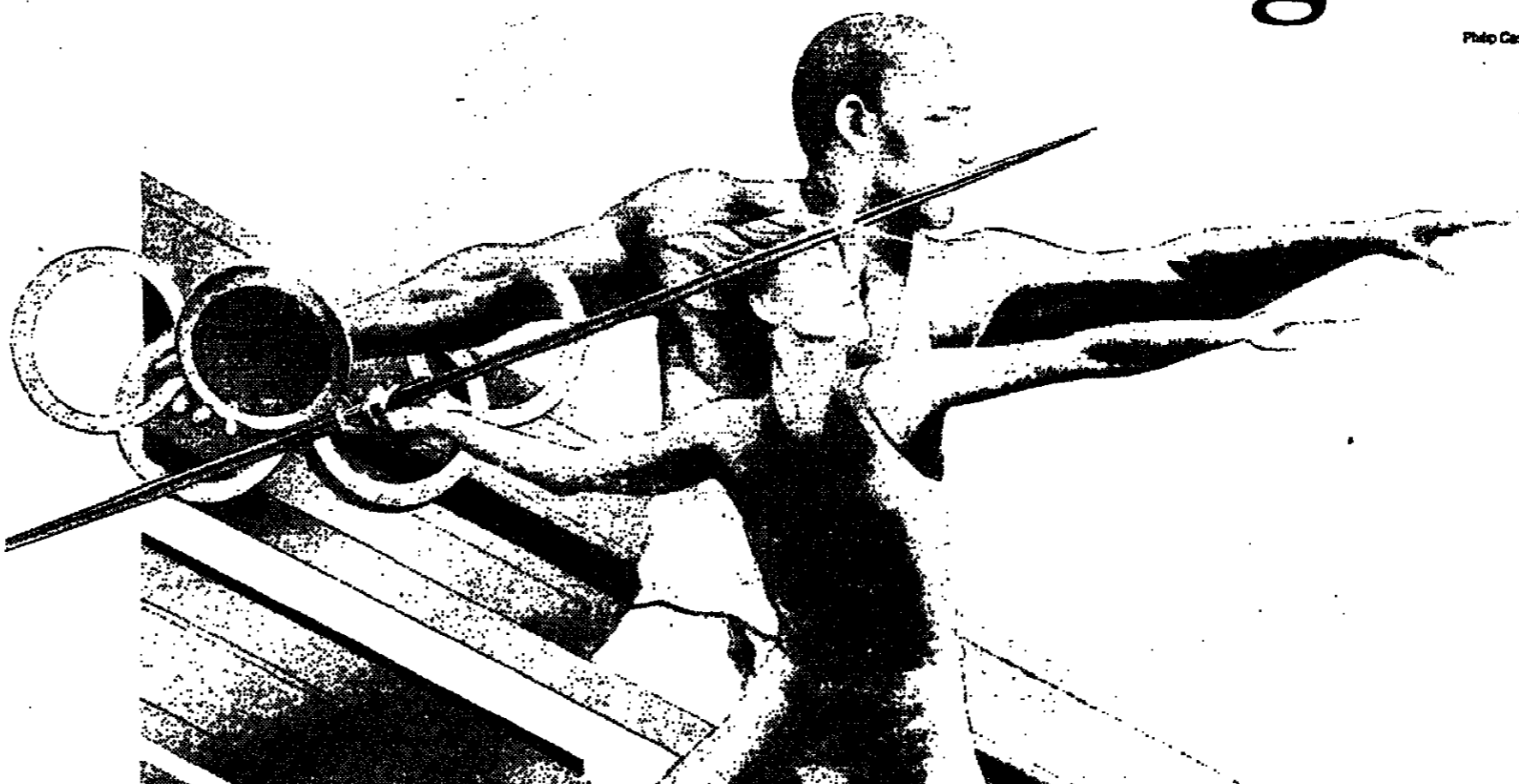
Birmingham, appearing undeniably prosaic amid the cultural backcloths laid out by Barcelona, Paris and Amsterdam, is commendably strong on the second assessment but vulnerable on most of the first qualifications. It travels to the ball as Cinderella, but with a legitimate hope that it may emerge as the candidate whose foot fits the glass slipper. That hope hinges upon how many of its known admirers — who recognize the attempt to return, in Denis Howell's words, the

games to the competitors — will have the conviction to vote for a relatively unfashionable yet sportingly suitable city.

The key to the outcome could well be what happens to some of those votes which might have gone to Paris prior to the recent wave of terrorism which has jeopardized international opinion and has set back that city's chances, possibly irrevocably. It is rumoured that Jacques Chirac, the French premier, may now put much of his weight in Lausanne behind the bid by Albertville for the winter games in a move to ensure that France has one of the events. My suspicion is that Amsterdam, Brisbane and Birmingham will all have benefited from the setback.

It is an undoubted fact that the IOC members will be influenced in their tendencies when voting for the summer games by the previously determined winter host city: a decision they will not be supposed to know but, almost certainly will, on the grapevine, after the tellers have passed the slips to Juan Antonio Samaranch, the president.

Voting is by a repeated



process of secret ballot, eliminating the bottom candidate each time until one city has a simple overall majority. Were Albertville or Sofia, an Eastern European socialist candidate, to be elected for the winter games, either choice would have a bearing on uncommitted support for Paris and Belgrade in the subsequent summer vote.

With Barcelona, which has thrown £5 million into their publicity promotion, being the undeniable favourite, a speculative first round voting distribution could be: Barcelona 28, Paris 15, Amsterdam 12, Brisbane 10, Birmingham 10, Belgrade 8.

What will happen thereafter is that the voting may split various ways, and if Amsterdam, Brisbane and Birmingham have upheld their credibility by surviving the first round, members who voted for Paris and Belgrade, and even for Barcelona, the first time might now switch to one of the three in the middle ground, since they provide the most compact arrangements of Olympic sites.

By this shifting process, it is possible that Barcelona could start substantially in front and still not ultimately win, with Amsterdam, Brisbane or Birmingham coming from behind. Some members who support Barcelona — a worthy candidate three times previously unsuccessful — may have been disillusioned by the ungracious behaviour during the recent Asian games in Seoul of Joao Havelange, a Brazilian mem-

ber and the president of FIFA, the international football federation, who has unofficially guaranteed Latin American support for Barcelona. I think Barcelona — Samaranch's home city — will win with no assistance from him. But with such ephemeral moods as there will be next Friday, anything could happen.

Why we deserve to win — by the six contestants

AUSTRALIA	BRITAIN	SPAIN
<p>Kevan Gosper</p>  <p>Mr Kevan Gosper, president of the Australian national Olympic committee, says Brisbane should host the 1992 Olympic Games because it offers an exceptional opportunity for the Olympic movement — a trouble-free games. Australia is a peaceful, stable country with a reputation for friendliness and hospitality. He says: "Brisbane is the only city in the southern hemisphere with the capacity to organize such a major international event which has come forward with credible, well thought-out plans. As host city for the highly successful Commonwealth Games in 1982, it already has many of the Olympic-standard sports facilities needed for 1992. It is a modern city which offers convenience and compactness that no other contender can provide. A central Olympic village will accommodate all athletes and officials. To put Brisbane on an equal travel cost footing with the European bid cities, 20 million Australian dollars travel subsidy will be dispersed to all national Olympic committees on an equitable basis which takes into account both their team size and cost of air travel."</p>	<p>Mary Glen-Haig</p>  <p>Mary Glen-Haig, an IOC member in Britain, says: "The theme of the Birmingham bid is 'Give the games back to the athletes'. It is justified. No other city has the convenience of an airport and a strip adjacent to the village and also many of the competition sites at the National Exhibition Centre. Many athletes will be able to walk to their event through an underpass from the village. This will also give complete security because the public will enter from the other side. Competitors will be able to watch their own and other sports. Only the stadium and swimming pool of the main areas need to be built. Almost everything else is ready now. The village, where athletes will sleep only two to a room, will be of prefabricated units and after the games can be moved elsewhere. As for Britain's reputation of inner city riots and football hooliganism, we know that all the rival cities, except Brisbane, have had troubles. Who knows what will have happened by 1992? Britain has staged successful games in the past — the 1948 Olympics made a profit and they can do so again in 1992."</p>	<p>Carlos Ferrer Salat</p>  <p>Señor Carlos Ferrer Salat, the Barcelona-born member of the IOC, says calmly: "I don't know if Barcelona will get them. I know the best candidate will emerge at our deliberations" — and then proceeds to reel off what he calls "only the fundamental reasons" why Barcelona can justifiably expect to host the games. Basically, he told <i>The Times</i>, Barcelona's reasons are twofold. It is trying for the fifth time since 1924 to get the games; Spain is the only large European country not yet to have had any Olympic games, either winter or summer. There is nothing sentimental in that approach, he contends. Secondly, in Barcelona's case 80 per cent of the sports installations are already there. "That percentage is as good as the best among the other candidates," he observes. Security? The athletes can travel swiftly from their Olympic village to the four enclosed sports sites by Barcelona's coastal boulevard which is easy to protect. Finally, not all the city contenders have Barcelona's good climate or tradition as an important arts centre.</p>
<p>Maurice Herzog</p>  <p>Monsieur Maurice Herzog, French representative on the IOC, says he thinks Paris has a "good chance" of being chosen for the 1992 Olympic Games. On the recent outbreak of terrorist attacks, he says: "We're suffering from imported terrorism, which is temporary, but how can anyone say that we shall still be suffering from it in six years' time?" Mr Herzog feels Paris offers three main advantages: the physical and cultural attractions of one of the most beautiful cities in the world; complete agreement between the political parties and the inhabitants of Paris on wanting to hold the Olympics in the city; and the stability of the French government "cohabitation" between the right and the left. He dismisses criticisms of the far-flung positions of some of the proposed sites for the games, and fears of enormous traffic jams which would be created in the already over-crowded city, saying that Los Angeles had to cope with far worse difficulties when it was host to the games. Such problems could be overcome, he insists.</p>	<p>Boris Bakrac</p>  <p>Mr Boris Bakrac, who has spent 26 years as the Yugoslav representative on the IOC, says: "Belgrade already has 90 per cent of all sports facilities required for the Olympic Games, all situated on a 16 kilometre thoroughway, and all, with the exception of the shooting range, less than 9km from the Olympic stadium. All have passed their tests at scores of world and European championships." The second, doubtless crucial argument in Belgrade's favour, is that Yugoslavia is non-aligned, and that on political grounds there can be no objections, either from East, West, or the Third World. A member of the Belgrade Olympic committee says: "The advantage of the non-aligned policy is that Belgrade can guarantee universal participation, which after several incomplete games, and still looming uncertainties over Seoul, is a point." The third factor, Mr Bakrac says, is that "The successful organization of the Olympic Games is not only a matter of technology, but also of being a friendly, hospitable host to guests."</p>	<p>Cees Kerdel</p>  <p>Summed up in a single word, Amsterdam feels it should get the 1992 Olympic Games because the Dutch capital can provide a "cozy" setting that could help foster the Olympic ideal, which at some recent games has been somewhat lacking. The games in Amsterdam would be cozy because coziness is part of the Dutch way of life, but also because about 85 per cent of all events would take place within a radius of 8.5 kilometres, again appropriately enough in Dutch terms within cycling distance. Mr Cees Kerdel, the Dutch member of the IOC, did not overrate Amsterdam's chances of actually getting the games, but did describe the Dutch capital as a "serious candidate." "From every point of view — the organization, the accommodation and the infrastructure — the many IOC colleagues who visited Amsterdam, and most of them have, were very positive." But then Mr Kerdel added the same can be said of Barcelona, Paris and Birmingham. In fact, he had been surprised at Birmingham's marvellous sports facilities.</p>

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Faithful outside marriage

Do the best friends come from the opposite sex or your own? Glenys Roberts has never had any serious doubts, as she explains in the last of our series



THE MEANING OF FRIENDSHIP

My mother used to say to me: "I always longed for a daughter so we could be friends. I imagined going shopping together, taking tea." Alas for her ambition, I turned out to be a girl with no interest in shopping and even less in tea. I invite me to a ladies' lunch and I make my excuses with the diet salad. I hated dolls, was indifferent to cooking, and though I did spend a good deal of time in front of the bathroom mirror, it was no more than my brother spent. My obsessions, in fact, were far more likely to be shared by the opposite sex than my own.

image must flash across the mind of a more than platonic relationship. Sometimes that is what it becomes. There is a compensation, however. Some of the best friends are old lovers, for you can never surprise them with any intimate habit which might destroy a more tender friendship. Men never quite want to let their women go, and they can even be extremely generous with their time once it is understood you have no claims on the heart.



Jeffrey Bernard and agony aunt Irma Kurtz: "The friendship of women is better for the soul than that of men"

Jeffrey Bernard - bon vivant, man-about-town and award winning *Spectator* and *Sporting Life* columnist - claims to have countless women friends, including three of his four ex-wives (the other is sadly no longer alive). But fittingly, the woman on whom he can always rely for chicken soup and sympathy is *Cosmopolitan's* agony aunt Irma Kurtz, his friend, ally and drinking companion for 25 years.

she has allowed me to go on playing little-boy-lost long after I was entitled - and I wouldn't hesitate to make a mayday call to her at 3am if I was in trouble. It's happened more than once.

I'm well, we'll often spend evenings eating and drinking - I'm proud to say I regard her as one of the boys. She has forgiven me for some appalling behaviour.

MEDICAL BRIEFING

Chinese cleared

Recent research has found that sweet and sour pork, sizzling beef or chicken in oyster sauce, even when laced with monosodium glutamate, will not result in burning sensations in the face, chest tightness, palpitations or tingling in the upper limbs.

despite its reputation, an innocuous substance. In large doses it does cause a slight lowering of the blood pressure following reduction in blood glucose, but has no other effects on the body's biochemistry. Furthermore, Dr Kenny found no demonstrable biochemical differences after dinner between the allegedly allergic and those who were not.

Biscuits for bigger babies

Generations of doctors have observed that their well-fed, non-working, insured pregnant patients give birth to larger babies than do those mothers who have had to work excessively hard on meagre rations. Physiologists have shown that if a pregnant woman's diet falls below 1,800 kilocalories a day the baby suffers.

Inflamed dangers

A keen-eyed diagnostician would have noticed that one of the financiers attending the recent meeting of the World Bank limped on to the plane at Heathrow. He was a victim of two problems: gout and his doctors' extreme anxieties about the use of non-steroidal anti-inflammatory drugs (NSAID).

Writing in *Mims* magazine Dr Andrei Calina, a consultant rheumatologist in Bath, suggests that much of the adverse publicity surrounding the NSAID group of drugs has been unfair. The side-effects vary - from drug to drug. Indocin is comparatively free of trouble and even the more troublesome drugs involve a risk only a thousandth that of smoking 10 cigarettes a day for 10 years.

Children kept under wraps

Short-term crises can result in children being placed in care and a hard battle for parental access.



authority decisions to stop access visits and the Department of Health and Social Security issued a code of practice for social workers which stresses the importance for children of sustaining links with their natural family.

Studies in Britain and America reveal that children in care do better if they keep in touch with their original families. The code of practice on access reflects these findings, but the new law has its shortcomings. Only decisions to stop access or not to start it in the first place can be challenged in the courts.

MILAN REPORT



Giorgio Armani produced a moment of fashion magic in Milan. His collection was pretty, provocative and feminine - not words usually associated with the maestro of mannish tailoring.

After a long meeting it's good to see you relaxing.



MONDAY The growing fame of Sue Townsend: a new chapter for Adrian Mole's creator

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How the learnt



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...Britain's role as a trading partner...
...China's global status continues to improve...
...There is abundant capital in London for development...
...to spread revolution throughout the world...
...Contacts with the Soviet Union have resulted in hopeful signs of progress...
...There is still a shortage of industrial jobs for the growing population...
...The biggest success story in the last seven years' economic reforms has been in agriculture...

On Sunday the Queen and Prince Philip begin a state visit to the People's Republic. David Bonavia reports

The first visit of a British monarch to China, from Sunday to Saturday of next week, sets the seal on a new era of friendly and cooperative relations between the two countries, despite the vast differences in their respective political and economic systems. They have in common the goal of raising the living standards and general well-being of their populations, and their present governments' economic strategies emphasize, albeit in different degrees, the benefits of free enterprise over too much state-controlled management of the economy.

The solution of the Hong Kong problem, though it may make many people in that territory uneasy about the future, has shown the ability of Britain and China to negotiate major issues together in a spirit of mutual accommodation.

Deng Xiaoping, the elder statesman who has guided China's fortunes since 1977, may resign from his formal official functions at the 13th congress of the Communist Party next year. But unless his health deteriorates sharply — and he shows every sign of robustness at 82 — his influence may still be felt in the formation and implementation of top-level policies for years to come.

In abolishing many of the leftist policies favoured by the late Chairman Mao Tse-tung until his death in 1976, Mr Deng has restored a considerable measure of common sense and practicality to Chinese public life. The man the Queen will meet is an ardent follower of the maxim that one should "seek truth from facts" and not from theory or dogma.

While professing a basic loyalty to Mao's philosophy, Mr Deng has in effect reversed most of his key policies, which is even more remarkable because he was a close political ally of Mao for nearly three decades from 1931 on.

He won Mr Deng and the other senior leaders that Mao was on a dangerously wrong course. Mao took his revenge with the Cultural Revolution from 1966 on, and Mr Deng disappeared from public view until 1973. He was politically unhorsed again by the leftist faction in the Communist Party in 1976, returned to high office in 1977, and assumed full-scale leadership late in 1978. Since then he has pursued reforms in agriculture, industry, the armed forces, foreign trade and investment, education, science and the legal system.

The arts, however, remain largely stagnant as though the long years of leftist control had knocked the breath out of them. And Mr Deng is fighting a constant battle with bureaucracy.

Fear that socialism will be corrupted by western influences

conservatism and corruption in the government and party apparatus.

He shows no mercy towards those who perpetrate crimes of violence or rob the state on a big scale, and in recent years has ordered the execution of 10,000 of the worst offenders.

Economic crimes have become an important feature of the continuing internal debate about the merits of the present "open door" policy towards western business firms.

Conservatives such as Chen Yun, the veteran planner and Politburo member, have voiced fears that socialism in China will be corrupted by "decadent" western and Hong Kong influences. Mr Deng's supporters argue that the best way to cope with these is through education, police work and a better standard of Chinese cultural output.

The other objection to the "open door" policy is that it encourages blackmarket dealings and corruption, such as the big scandal when nearly 100,000 Japanese-made cars were illegally im-



ported via China's large offshore island of Hainan, and were eventually confiscated by the Chinese government.

Hong Kong has become the biggest source of modern luxury goods, which are increasingly in demand on the mainland; the authorities are constantly having to harangue their officials about the undesirability of encouraging such expensive tastes.

The quality of Chinese industrial products has also become cause for concern, with the authorities admitting, for example, that the low standard of locally made lifts has resulted in "heavy casualties". Refrigerators, which are nowadays one of the products most desired by the ordinary people, are also prone to breakdown.

Many business leaders in Hong Kong, Japan and the West are becoming disillusioned with the joint ventures they have opened in collaboration with Chinese firms, to take advantage of the low wages in China and manufacture export products with foreign technology and management expertise.

They complain that they seldom make substantial profits, that the new legal system is confusing and that they are being charged excessive taxes. Businessmen always complain, of course, but the level of dissatisfaction with the joint-venture concept is becoming an embarrassment to Peking.

The biggest success story in the last seven years' economic reforms has been in agriculture, where the revision to family farming and the abolition of the socialist "people's communes" has resulted in a big increase in

volume and variety of products. There is concern, however, that the peasants are increasingly abandoning the less profitable business of grain production to go in for bigger harvests of what were previously considered sidelines: fruit and vegetables, livestock, oil seeds, industrial crops and services such as road transport.

In industry the picture is more mixed, as individual effort must be thoroughly coordinated with the work of the factory as a whole. Incentive schemes, dismissals of bad workers, and even share issues have failed to solve the outstanding problems.

There is still a shortage of industrial jobs for the growing population. On top of that, a quarter of the armed forces are being demobilized while military industries have been ordered to

There is abundant capital in London for development

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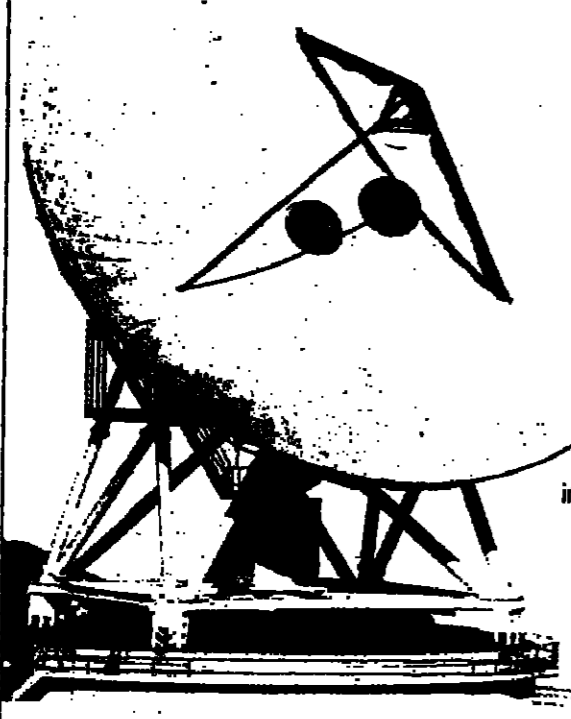
Contacts with the Soviet Union have resulted in hopeful signs of progress towards solving the two countries' border dispute and restoring better government-to-government relations, although

the Chinese are for the present ruling out a restoration of party-to-party links such as existed in the 1950s.

Britain's role as a trading partner needs to be improved, and there is abundant capital in the city of London to finance Chinese development projects if the Chinese will overcome the historically founded distrust of foreign loans and their possible consequences in terms of indebtedness, inflation and social instability.

The British role in Nato is understood and appreciated by the Chinese, who see the British as an important pillar of resistance to Soviet expansion. And far from regarding the Royal Family as a feudal remnant, the Chinese media have warmly praised their contribution to public affairs.

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سكنا من الازهر

FOCUS

CHINA/2

How the lion and dragon learnt to live together



When the Royal Navy annexed South China's "Fragrant Harbour" in January 1841, Queen Victoria jotted a letter to her uncle, King Leopold of Belgium: "Albert is so much amused at my King, and we think Victoria ought to be called Princess of Hong Kong in addition to Princess Royal."

Tea and opium had brought the lion and dragon toward a clash of destinies in the South China Sea. For decades before the opening of hostilities in 1839, Britain had made successive attempts to induce Manchu emperors to permit the first English ships had reached China in 1637. By the end of the 18th century, the East India Company dominated western commerce with Canton, the only port open to foreigners.

England's demand for tea was six times the value of all British goods imported into China in the decade before the embassy of the Scottish peer, George Macartney, to Peking in 1793.

Because the Chinese were lukewarm towards products such as English woollens, the East India company was embarrassingly dependent on opium to offset the cost of tea. From 200 chests a year in 1767, British smugglers were shipping 39,000 chests to China in 1837.

The Qing government declared prohibition and in 1838 burnt Canton's stock of 20,000 chests. A British expeditionary force set out from Hong Kong harbour in June 1840.

After Shanghai had been occupied and the southern capital of Nanjing besieged, the Chinese agreed to open four new ports to British traders with a resident consul in each. By the Treaty of Nanjing, ratified in 1842, Hong Kong passed "in perpetuity" to the British Crown.

It was not enough. A second opium war attracted Charles Gordon, a young officer who arrived, in September 1860, "rather late for the amusement". The future hero of Khartoum took part in the sacking of the Son of Heaven's Summer Palace, which the British Commissioner, Lord Elgin, decided to destroy in

retribution for the torture of prisoners of war.

Six days later, by the "Capitulation of Peking", a title which still rings unmusically in Chinese ears, the opium trade was made legal. Kowloon Peninsula was also ceded "in perpetuity", adding part of the mainland to the Colony of Hong Kong.

"Chinese" Gordon then became the Manchu government's chief instrument in suppressing the 14-year Taiping Rebellion and was rewarded with the Yellow Jacket granted to only 50 mandarins in the empire.

An Ulsterman, Robert Hart, from Portadown, also served the Celestial Kingdom with distinction. Over 50 years he developed the Maritime Customs Bureau, the greatest single means by which China modernized itself in the 19th century. It charted the China coast, installed navigational aids and established the first modern postal service.

The opium wars opened 17 ports to British traders. Behind the British crowded other foreign powers, which together reduced the dying Manchu empire to semi-colonial status.

From 1860 until the turn of the century, Britain controlled more than 30 per cent of the country's foreign trade. From Hong Kong, the Royal Navy policed the China coast. British firms engaged in shipbuilding, engineering, textiles and mining. British banks even furnished Chinese currency.

Uneasy at the growth of French and Russian power in the Far East, Britain in 1898 leased the "New Territories" island from Kowloon for 99 years to be better able to defend Hong Kong. No rent was mentioned or has been paid.

"Destroy the foreigners", cried the Boxer insurgents in 1900, when they besieged the British legation made sandbags out of silk furnishings until a large international force restored order in Peking.

The Boxer Protocol of 1901 shackled China with an astronomical indemnity of three times its annual revenue, over-burdening the feudal power structure which finally fell in Sun Yat Sen's revolution of 1911.

In a famous memorandum, dated 1926, the British Government invited the other treaty powers to abandon the special privileges that branded China with the mark of inferior national status.

The last British troops stationed in Shanghai and North China were withdrawn in August 1940. Three years later, Britain surrendered extra-territorial rights and Chiang Kai-shek's China became the equal and the ally of Britain and the US.

The total victory of the Chinese Communists in 1949 caused grave concern to Britain's Labour Government, which feared an attack on Hong Kong. The Cabinet was further jolted when the frigate Amethyst was shelled as it sailed up the Yangtze to Nanjing. Britain was the first western government to recognize the People's Republic in January 1950, yet ambassadors were not exchanged for another 22 years.

At times, relations could hardly have been worse. Riots in Hong Kong and the sacking of the British legation in Peking in 1967 marked the nadir. Four years later the "Forbidden City" was opened for English table-tennis players, and Sir Alec Douglas-Home, the Foreign Secretary, followed them to Peking.

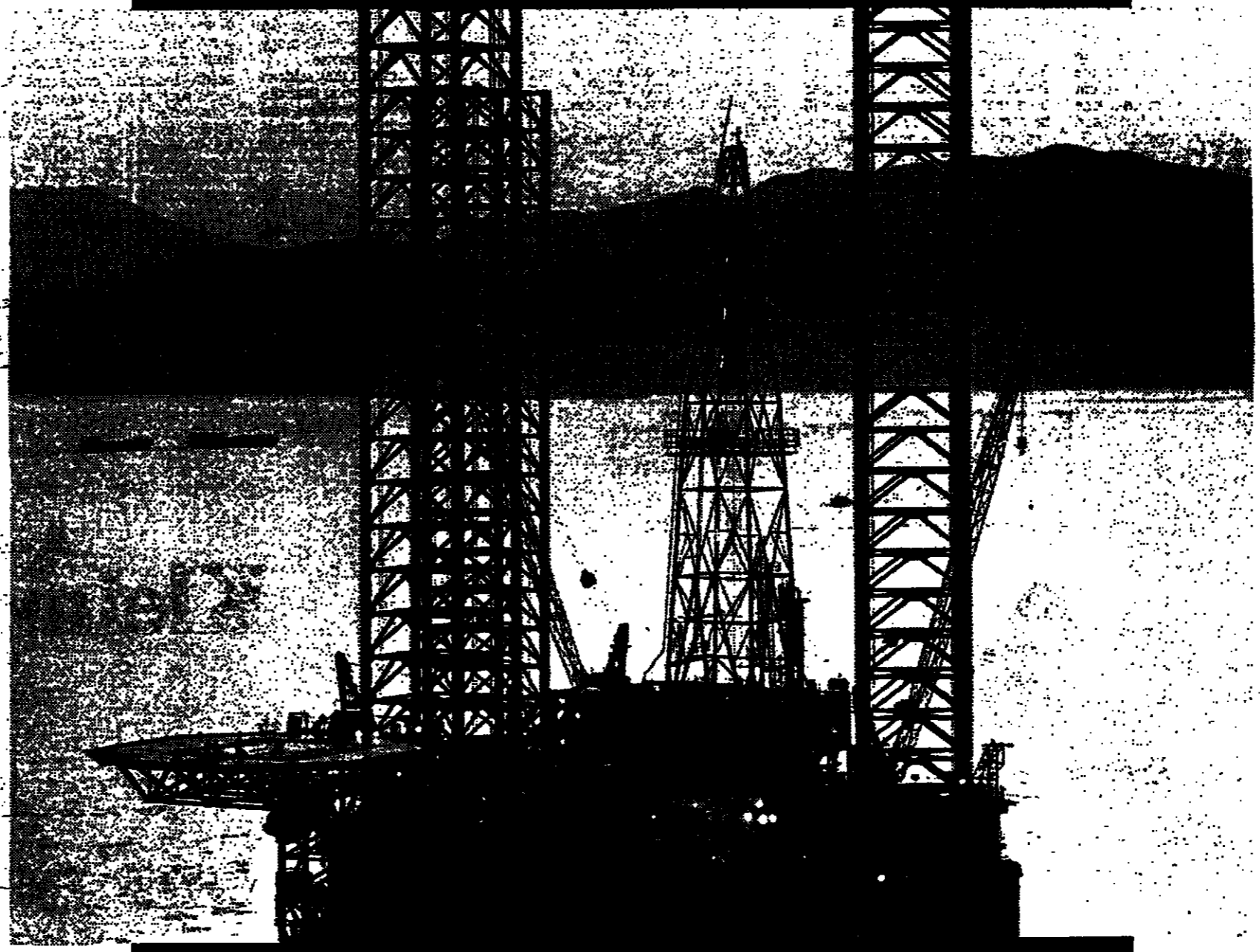
Restoration of diplomatic, trade and cultural relations was rapid. In 1984, with Mrs Thatcher's signature on the Sino-British joint declaration on Hong Kong, that borrowed place living on borrowed time, the Queen pencilled China in her diary for 1986.

Alastair Percival
The author is a Press Association journalist who has worked in China.



Where there's a wheel, there might be a way: cyclists competing for space on the streets of Peking

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Sarah Hemmings

Out of disaster, a new economy

For 28 years Peking's economic mandarins used Soviet-style five-year plans to guide China's development. The results were either mixed or, in the case of Mao Tse-tung's Great Leap Forward (1958-60), downright disastrous.

However, since the introduction of the open-door policy and the four modernizations in the late 1970s, China's numbingly unimaginative national development plans have blossomed into blueprints for dramatic reforms in the world's largest planned economy.

This year alone the list of achievements has been impressive: the opening of a bond market in Shenyang, Liaoning province; the end of guaranteed lifetime employment; the spread of the first tract labour system in the People's Republic (of a Shenyang munitions plant), an important indication of a new commercial realism; the opening of a stock exchange in Shanghai, and the starting up of a venture-capital firm in Peking.

From a western viewpoint, these internal developments, however noteworthy, have not significantly improved the climate for doing business in China or with Chinese business organizations and collectives.

The costs to Westerners of operating in China, including the price of labour, housing, office space and such necessary items as telex communications - prices for which were increased by 50 per cent on October 1 - have skyrocketed. Under the terms of some joint-venture contracts, Chinese managers being trained by western firms in Sino-foreign joint ventures must be paid as much as their more experienced western counterparts.

Moreover, red tape continues to strangle Sino-foreign joint ventures, of which there are 2,645 equity joint ventures and 4,075 contractual joint ventures and 130 wholly owned foreign subsidiaries in the People's Republic.

or official stamps, each with two signatures from relevant government officials, are required before serious discussions can even begin.

Such problems reflect some of the weaknesses inherent in China's economy.

The economic growth rate, for example, poses a major challenge to Peking's central planners. In the first half of last year annual growth zoomed to 23 per cent, and China's foreign currency reserves melted from \$16 billion to \$10 billion as the country went on a foreign import-buying spree. As a result, the economy showed signs of quickly outstripping the existing infrastructure.

To regain control, the People's Bank of China, the central bank, tightened foreign exchange spending in 1985, imposed new restrictions on the creation of private enterprises and, later in the year, banned automobile and other consumer product imports for up to two years.

As if to make that policy publicly official, Zhao Ziyang, the Premier, announced at the beginning of this year that 1986 and 1987 would be two years of "consolidation" in China's economy.

Despite those eleventh-hour measures, annual growth during China's last, or sixth, five-year plan averaged more than 10 per cent. The growth target in the current, or seventh, five-year plan, approved last March by the National People's Congress, is 7.2 per cent annually, a figure that Chinese authorities for years have believed is best for their country.

The guidelines for the seventh five-year plan state: "We must avoid trying to do everything at once with no sense of priorities. This is the only way to provide the strength needed for long-term economic development and create favourable conditions for further opening China to the rest of the world."

In the energy sector, China would like its annual output of electricity to reach 550 billion kWh by 1990. In addition,

FOCUS

The countryfolk with new-found enterprise



China is, above all, an agricultural nation. Eight hundred million of its citizens, of a total population of 1.2 billion, live in the countryside. The greatest successes of the Dengist modernization programme to date have been achieved in the rural areas of the People's Republic.

Under Peking's watchful eye peasants in recent years have developed light, rural industries to supplement their

regular income derived from growing crops for state quotas. Moreover, state quotas for staple crops such as grain, rice and sorghum have become more flexible, and can now sometimes be arranged by contract.

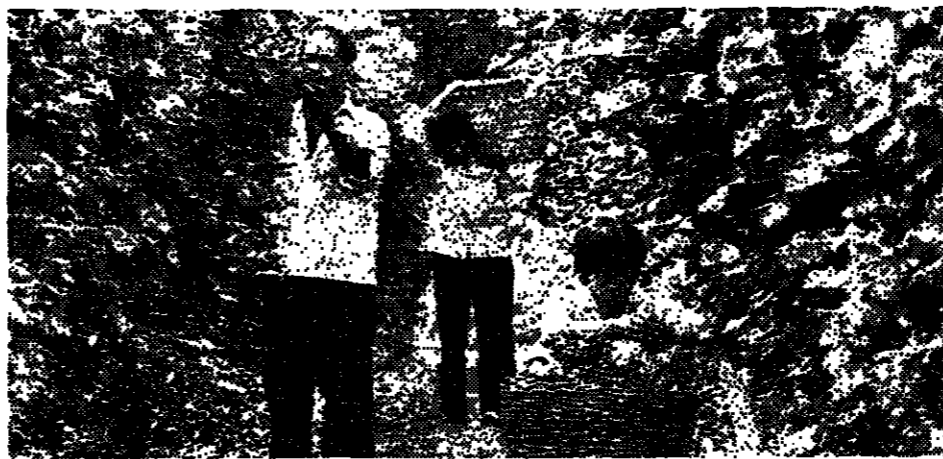
As a result there are 4.5 million rural enterprises employing 40 million people. In 1984 the combined revenues of these enterprises were valued at 171 billion renminbi (about £32 billion), equal to China's gross national product in 1964.

For a while at the beginning of the year agriculture looked as though it might become Deng Xiaoping's political Achilles' heel. Summer floods in the north-eastern provinces of Liaoning, Jilin and Heilongjiang, coupled with

droughts in Hubei, Hunan and Sichuan provinces, meant a lower harvest. Production fell by 27 million tonnes on 1984's record 407 million tonnes. That broke a string of seven bumper harvests that had made China not only self-sufficient but an exporter of grain.

As a result, Mr Deng's opponents, notably Chen Yun, 82, the party's disciplinarian and leading conservative, attacked the Dengist rural responsibility system, which in some cases has allowed peasants to drop wheat-planting for other jobs.

Throughout 1986 the central government in Peking has kept up a steady barrage of propaganda aimed at encouraging farmers to grow wheat. Not surprisingly, plans



Fruit of the vine: farmers picking grapes in Siqing township near Peking

to subsidize wheat farmers have received careful scrutiny. However, there are limits to what the central government will do for farmers in general and wheat growers in particular. The official English-language *China Daily* newspaper noted in April: "While the central government is responsible for assisting rural farm-

ing, its finances are limited. Rural areas have to work out ways to support their own economic activities, relying on profitable rural industries."

A western diplomat said that this year's wheat crop will total about 400 million tonnes: "Because of the floods in the north-east, the harvest will be down about 12 million

tonnes in that region, and up just about everywhere else." Just how well the People's Republic is doing in agricultural production is difficult to determine. The main harvest seasons are June to July, and September to October. Agricultural statistics for one year are not generally available until late in the first

quarter of the following year. Many western experts say China is making progress in boosting its cotton and hemp production, and is doing well with soy beans. It also produces huge quantities of tobacco, though of an inferior quality, most of which goes into domestic cigarette production. In recent years livestock production has also shown signs of improvement as the country's grain picture has improved - though pigs are traditionally fed cooked vegetables.

Despite these successes, China faces some key problems in agriculture. For one thing, arable land is becoming a rare commodity. Only 45 per cent of China's total land mass is fit for agriculture, and more and more of it is being gobbled up by expanding towns and rural housing developments.

"lives in the country but has urban consumerist aspirations", another fifth.

Another problem is lack of an agricultural marketing system. Processing, storage and transportation components of such a system remain extremely underdeveloped, according to some western observers. In southern China, for example, the developing livestock industry there is facing an acute shortage of feed, while Manchuria lacks the markets for the mountains of grain it produces annually.

A final problem is lack of ingenuity. Medicinal herbs, better strains of tobacco, ornamental trees for export to other countries - western scientists and agro-economists say they see hundreds of possibilities for economic development while travelling through the rural areas, but that the local populations are resistant. "It's a problem of education that may be solved with the passage of time," one diplomat said.

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The new economy that followed the disaster

From previous year coal production would increase to a billion tonnes by the same year, and a renovation and expansion of oil fields would boost crude-oil output to 150 million tonnes annually.

It is not certain that these goals can be achieved without opening up more onshore oil sites, offshore having proved a disaster in the past year. Overall energy conservation, according to the seventh five-year plan, should save 100 million tonnes of standard coal between 1986 and 1990.

Peking would like to increase the total volume of freight carried by rail, road, water and air transport by 30 per cent in 1990. The country now has 57,000 km (32,500 miles) of railways, 926,000 km (578,750 miles) of roads, 109,000 km (68,125 miles) of inland river routes, 256,000 km (160,000 miles) of air routes and 11,000 km (6,875 miles) of pipelines.

Upgrading and expanding those networks translates into new construction and new equipment procurement, which means potentially huge markets for foreign firms.

China's railway system is in terrible shape. It carries 90 per cent of the country's freight

and is being asked to do much more. Two years ago, according to one rail-equipment sales trader, China reported a shortage of 35,000 railway wagons a day, which meant that 100,000 were needed but only 65,000 were available.

The railways ministry recently reported that in 1984 10 million tonnes of coal, stranded at various loading points along the rail lines,

Main ports are to expand

never reached their destinations. Because of the poor coal-distribution system, householders in Peking are now borrowing friends' trucks to drive out of town to buy coal and transport it back to their homes for use this winter.

China's main ports are also destined for expansion. Li Peng, a vice premier, has announced that all transport departments, other than rail and telecommunications, should separate their business from government functions.

As a first step the central government has put the administration of Shanghai and Dalian harbours into the hands of local authorities.

During the next five years China plans to build more than 200 new berths at major east coast ports. One hundred and four of the new berths will accommodate more than 10,000 tonne-class freighters.

By the end of 1990, China hopes to have 1,200 berths, including 321 for deep-water vessels, with a total handling capacity of 550 million tonnes, compared to 330 million tonnes last year. Such measures would undoubtedly help reduce China's international trade deficit, estimated to be \$6 billion, but forecast to go to \$14 billion by the end of the year.

Still, the best-laid plans of bureaucrats in Peking can be successful only if the rest of the country falls in behind them. The planners are holding their collective breath to see how 1986 shapes up for the Chinese economy.

A western diplomat in Peking observed: "The planners have put their finger on what is happening in China's economy and what needs to be done. Now it is up to the officials in the provinces to make sure the plan is properly executed."

Robert Grieses-

Midland in China



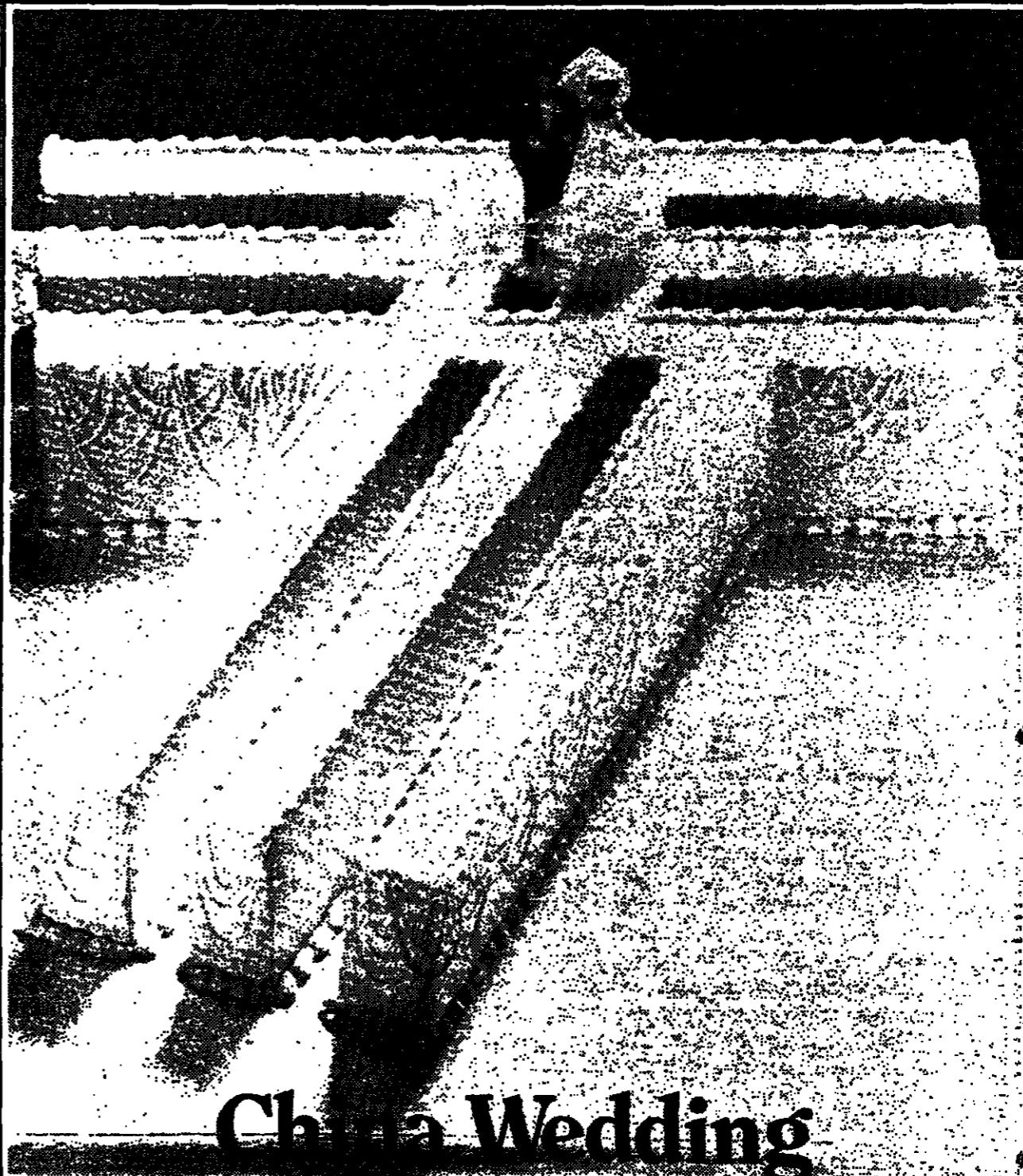
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CHINA/5

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**Teachers
wanted
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million**

A dilapidated educational system constitutes the biggest obstacle to harnessing China's most valuable resource - its people.

The Communist government has made some progress in education since it came to power in 1949, when there was an 80 per cent illiteracy rate. That has now been reduced to around 25 per cent and, according to government figures, 90 per cent of school-age children are now in school.

Educational reforms adopted earlier this year included the abolition of middle school entrance exams, thus allowing primary school children to enter middle school automatically, space permitting. The goal is to have at least nine, rather than five, years of education for children by the end of the century.



Eyes on the blackboard: taking notes during a chemistry lesson in a Peking middle school

Like China's reforms in other sectors, the educational ones show that the government's heart is in the right place but after that it is back to square one: how to remedy shortages of teachers and educational facilities, including the most basic one - classrooms. Some major cities are facing a possible half-day class schedule because of lack of space.

Money helps. The new five-year (1986-1990) plan calls for a 72 per cent increase in educational funds - to 116.6 billion renminbi (about £22 billion) - over the previous five-year period. Though a substantial improvement, it makes only a dent in the task of shoring up an educational system which came to a halt when schools were closed for the better part of the Cultural

Revolution, leaving a generation without approval from educational departments above county level. Meanwhile, higher education is catching up fast. The number of graduates is expected to increase by more than 10 per cent to 308,000 this year. However, according to Xinhua news agency last March, employers need 700,000, more than double the number available. Recognizing that China's universities would fall short of meeting demand for some time to come, the government began allowing studies overseas, especially in the sciences, in 1978. The State Education Commission announced last May that since 1978, nearly 40,000 Chinese have been abroad to study.

transfers without approval from educational departments above county level.

One reason that deters the most patriotic Chinese academic from returning home is the woefully inadequate research facilities and the dim future for additional funding.

NL

Forget cabs, get on your bike

China is reaching a plateau in its efforts to attract foreign tourists. The mystique of a country which had shut the door on the West for a generation is evaporating as it becomes better known and the Chinese will have to improve the service they offer the visitor if they are to meet their ambitious targets for growth.

These envisage three million foreign, that is, non-ethnic Chinese, tourists by 1990 and between seven and eight million by the year 2000. The figure for 1985 was 1.37 million, which means that the numbers must more than double both over the next four

years and in the succeeding decade.

Annual growth between 1980 and 1985 averaged just over 21 per cent and it was presumably on the basis of this performance that the goals were set. However, in the first seven months of this year the rate fell drastically.

Whereas the overall increase from 1984 to 1985 was 20.8 per cent, that for January to July 1986 was only 7.1 per cent higher than that for the same period last year.

The fall was most marked for Japan, which supplied more than a third of China's foreign tourists in 1985: from

27.8 per cent to 3 per cent.

The United States, the second largest source of overseas visitors, showed an increase from 12.8 per cent in 1985 to 18.9 per cent for January to July this year, but the number of Australians dropped by 9.3 per cent, compared to a 7.5 per cent growth in 1985.

The number of Britons slowed to a 10.8 per cent rise, against 14.7 per cent last year, when the total number of British visitors was 71,352.

The first reaction of tourist officials in Peking is to ascribe these fluctuations to external factors, such as the general election in Japan in July and

the currency devaluation in Australia. But they are also aware of serious impediments to growth at home.

These are inadequate means of transport, particularly by air, shortage of accommodation, notably in Peking, Shanghai, Xi'an and Guilin, and lack of qualified personnel such as hotel managers and guides.

The Chinese are tackling the first of these problems by expanding airports and buying more aircraft, including 10 BAe-146 jetliners from Britain.

As for accommodation, the new five-year plan (1986-1990) provides for the addition of 61,700 hotel beds. In Peking alone, 80 hotels for foreign tourists are to be built in the next five to six years.

FOREIGN TOURISTS IN CHINA (1985)

	Number	% of total	% change over 1984
Total	1,370,462	100.0	20.8
Japan	470,492	34.3	27.8
United States	239,557	17.5	12.8
Australia	78,136	5.7	7.5
Britain	71,352	5.2	14.7
West Germany	43,082	3.1	25.7
France	38,950	2.8	44.2

CITIES MOST VISITED BY FOREIGN TOURISTS (1985)

Peking	739,646
Canton	527,823
Shanghai	489,360
Guilin	249,895
Xi'an	190,836
Hangzhou	156,311
Suzhou	152,761

Source: National Tourism Administration, Peking

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CHINA/6



Flower people in the big city

What might share certificates have in common with fresh flowers, instant coffee and a collection of old envelopes? All were among pointers to the lifestyle of young workers in Shanghai as listed by the People's Daily last month.

China's biggest city has opened the country's first stock exchange and faces in the queues for shares are almost entirely young. Plastic flowers are passé. The western custom of sending cut flowers, until now seen as bourgeois and wasteful, has been adopted in a big way. A bunch may cost more than 10 yuan (1.86), one-seventh of a basic monthly salary, but shops sell out daily.

Smart young people serve instant coffee rather than tea to friends, hang original paintings on the walls of their flat, and collect curios, from old envelopes to fancy invitation cards. Girls are wearing men's trousers and shirts, while the trendy male perms his long hair.

Youth is being elevated to a new status in the birthplace of Confucius, where, by 2,500 years of tradition, age has commanded respect. The 1980s emphasis on young leadership in management, the armed forces and party is invalidating the adage that "the old don't die, the young don't rise".

Half of China's one billion people are under 30. New economic policies and the opening to the West are radically altering the outlook, image and expectations of Chinese youth.

"Ten years of Cultural Revolution left an emotional and ideological vacuum," says a 40-year-old university lecturer. "Unwavering belief in



Chairman Mao ended in disillusion.

"The open-door policy gave us a glimpse of an outside world that seemed to glitter with wealth and advanced technology. We were shocked by the poverty and backwardness of China. Brought up to 'serve the people', now we wanted a say over our own lives.

"We were desperate for new ideas and styles of living, anything that represented a departure from tradition."

Where Mao's children had chanted, "Thanks to the Party we have New China. Thanks to New China there is me", students in Deng's era began to discuss Freud and Sartre and sex in a self-centred world.

The first attempt at free speech died in 1979 with the jailing of Wei Ching Shen, editor of Exploration, the Democracy Wall Movement's magazine. That sealed the

indifference to politics of the post-Cultural Revolution generation.

Economic reform awakened hopes, but patriotism rather than socialist ideals is behind a resurgence of interest in party membership and the power it confers.

Members of the "Lost Generation", who missed out on adolescence and educational opportunity in the "10 years of struggle", are sometimes jealous of the under-25s having a good time.

Students dream of brilliant careers and a chance to go abroad. Foreign travel is not on the young workers' horizon yet, but their bonuses can earn them much more than intellectuals. They want to spend and show off.

A Japanese video has succeeded the colour television set as status symbol. Beyond firecrackers or a feast for friends, leisure and enjoyment

French chic in the Chinese capital: doorboy outside Maxim's restaurant in Peking, which was opened by Pierre Cardin in 1983 as a branch of the famous Paris restaurant

are not a developed aspect of Chinese culture.

Principally from TV and cinema screen, young Chinese are mimicking western youth. Bicycles are for work, a taxi is for pleasure. Foreign-made jeans are smart, likewise Marlboro or 555 cigarettes, discos and restaurants that serve tomato soup, buttered bread and schnitzel.

Girls visit a beauty parlour before going out, and it is not "pearl dust" lotion but vitamin-enriched creams that go on their cheeks. The birth pill is not publicly available to single women, but the taboo on premarital sex is now widely ignored. Before the New Year holiday, when all work units hand out contraceptives in quantity, wives pass them on to unmarried friends.

Clint Eastwood starred in a recent survey which sketched the ideal man for 500 young women in a Guangzhou (Canton) electronics factory. They arrived at a male figure more than 1.8 metres tall, of thoughtful aspect, and unshaven appearance, like George Michael, the Wham rockstar who played in Peking.

The ideal man's personality required passion, self-knowledge so that he could correct his weaknesses and, oddly, the potential to kill. Rambo drew vast cinema audiences in China.

In the countryside, change is taking place within the context of the family. Li Zamei, a carpenter's daughter, was 16 when the new economic policies were introduced. She specialized in fish farming. Running her own business, she succeeded so well that the family made her head of the household.

Eligibility for marriage used to be categorized chiefly by family and political background. When she weds, Li's criteria are more likely to be personality and job prospects. The young can earn more than their elders, and this is strengthening determination to choose partners in defiance of parental matchmaking.

Yonit and Alastair Percival

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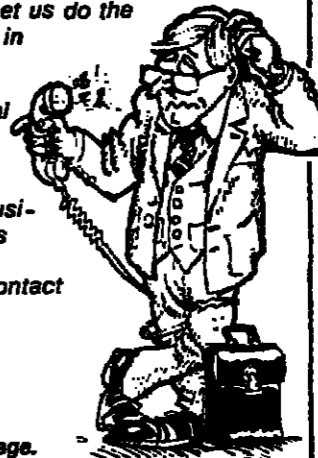
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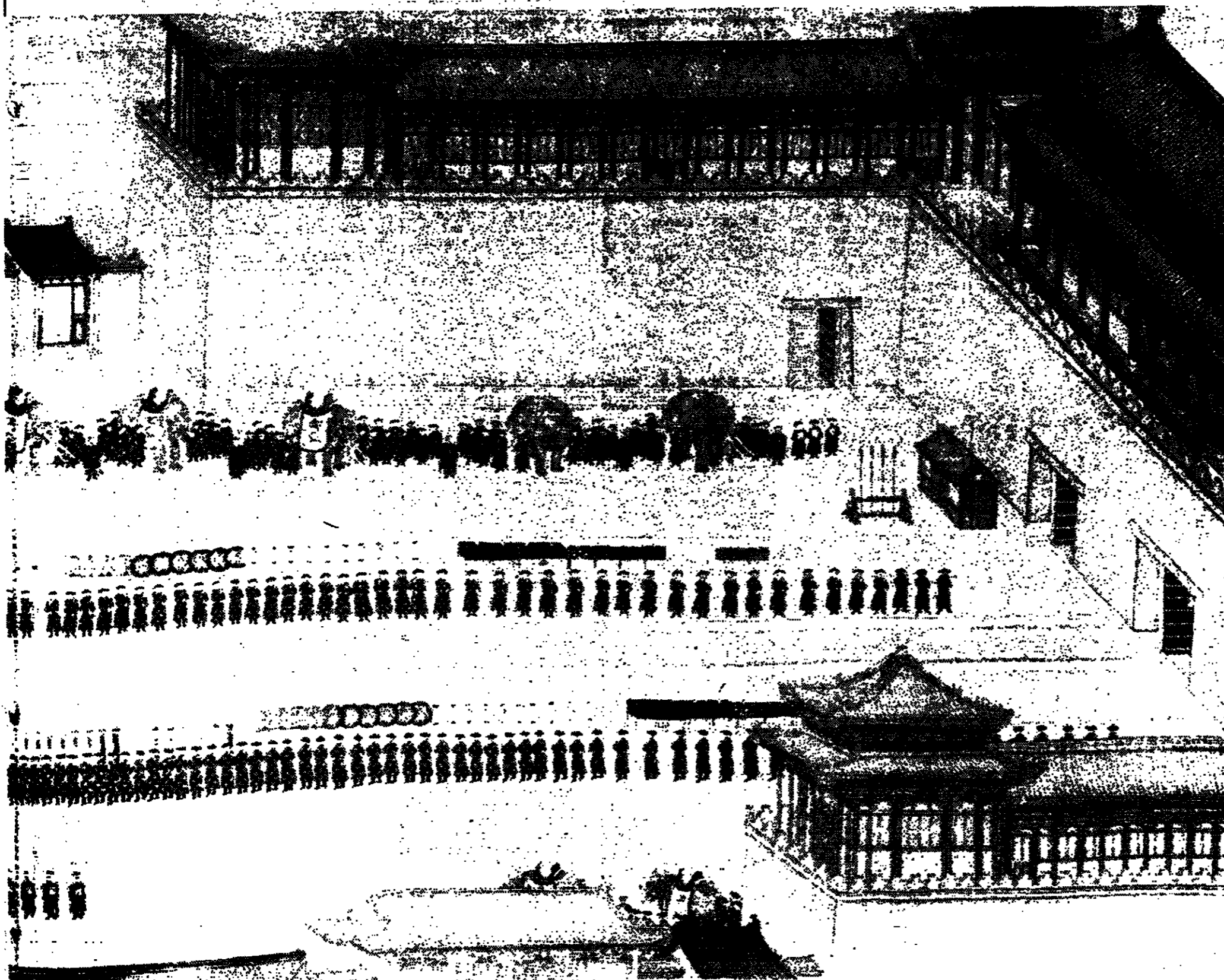
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A smile from the Princess of Wales on a visit yesterday to the hospice at the Hospital of St John and St Elizabeth, St John's Wood, London.

Birthdays today
Mr Winston S. Churchill, MP, 46; Sir Colin Cross, 55; Mr Charles Dance, 40; Mr Ted Edgar, 51; Miss Helen Hayes, 86; Lord Kincaid, 68; Professor J.E. Large, 56; Viscount Macmillan of Ovenden, 43; Dr Roger Charles Mudge, 74; Dr Roger Marvell, 77; Mr Daniel Massey, 53; Mr Brian Oakes, 59; Mr Nicholas Parsons, 58; the Right Rev K.H. Pillar, 62; Mr Harold Pinter, 56; Sir John Stebbings, 62; Mr Frank H. Taylor, 79; Mr G.F.M.P. Thompson, 76; Mr Ben Vereen, 40.

Forthcoming marriages
Mr C.A.H. Wills and Lady Katharine Meade. The engagement is announced between Christopher, son of the Hon V.P.H. Wills, of Litchfield, Hampshire, and the Hon Mrs Henry Douglas-House, of Old Greenlaw, Berkshire, and Katharine, daughter of the Earl and Countess of Clanwilliam, of Raincoombe Park, Marlborough.

Memorial service
The Queen was represented by Viscount Boyle at a service of thanksgiving for the life of Sir Iain Sutherland, held yesterday at the Crown Court Church of Scotland, Covent Garden.

Sale room

Greeks buy back a crown

The Greek Embassy dispatched a representative to Sotheby's yesterday to buy a crown. It cost him £19,600 (estimate £6,000 to £8,000) and goes back to Greece as a national treasure.

Memorial service
The Queen was represented by Viscount Boyle at a service of thanksgiving for the life of Sir Iain Sutherland, held yesterday at the Crown Court Church of Scotland, Covent Garden.

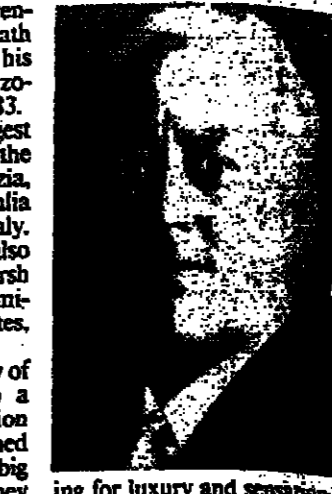
OBITUARY

MR CANDIDO JACUZZI

To fame and fortune with hydromassage

Mr Candido Jacuzzi, inventor of the whirlpool bath which colloquially bears his name, died at Sun City, Arizona, on October 7. He was 83.

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Mr Candido Jacuzzi, inventor of the whirlpool bath which colloquially bears his name, died at Sun City, Arizona, on October 7.

ing for luxury and sensuality and increasingly able to afford them - sales of this steadily grew until it accounted for 30 per cent of what had by the 1970s become a multi-million dollar business, based on factories in Mexico, Brazil, Chile, Canada and Italy.

BRITISH MARSHAL OF THE ARMY IN INDIA

Latest wills

Professor Ralph Cocker, of Charing, Kent, professor emeritus of dental surgery at London University, left estate valued at £292,053 net.

Royal College of Art

The new academic year of the Royal College of Art opened this week with Lord Gowrie taking over from Sir Hugh Casson as provost.

Jasmine Tea advertisement with image of a teapot and tea leaves.

Jasmine Tea advertisement with image of a teapot and tea leaves.

Fujian Jasmine Tea advertisement with large stylized characters and descriptive text.

Service dinner

RAF Bentley Priory
The Chief of the Air Staff and Lady Craig and Sir Austin and Lady Pearce were the principal guests at a ladies guest night held at RAF Bentley Priory yesterday.

Mr A.T.A. Dallas and Miss P.C. Bennett. The engagement is announced between Andrew, younger son of Mr and Mrs J.M. Dallas, of Kirby Overblow, near Harrogate, North Yorkshire, and Philippa, only daughter of the late R.D. Bennett and Mrs Bridget Bennett, also of Kirby Overblow.

Science report
Robot given true sense of touch
A robot that can choose any component it wants from a storage bin of mixed objects has been developed by a British research centre.

Science report

Robot given true sense of touch

A robot that can choose any component it wants from a storage bin of mixed objects has been developed by a British research centre.

Work commissioned under Esprit is intended to get member countries working together on high-technology projects; by combining resources they should match the efforts of Japan and the United States.

Church news

Scottish Episcopal Church
Canon D.A.B. Jowett, Vice-Provost, St Andrew's Cathedral, Edinburgh, died yesterday.

Miss M.N. Streetfield. The funeral service for Miss Noel Streetfield took place at St Michael's Church, Chester Square, on Monday, September 22, 1986.

Miss Cheryl Crawford. veteran American theatre director and producer, died in New York on October 7. She was 84.

MARSHAL LIU BOCHENG

Marshal Liu Bocheng, one of the founders of the Chinese People's Liberation Army and chief of the military staff during the Long March, died yesterday in Peking. He was 94.

Miss Cheryl Crawford, veteran American theatre director and producer, died in New York on October 7. She was 84.

MISS CHERYL CRAWFORD

Miss Cheryl Crawford, veteran American theatre director and producer, died in New York on October 7. She was 84.

number of productions for it, beginning with Paul Green's The House of Connelly (1933).

BIRTHS, MARRIAGES, DEATHS AND IN MEMORIAM.

BIRTHS

Allen - On 3rd October, to Loraine... Allen - On 28th September, to Gill... Allen - On 27th September, to Gill... Allen - On 26th September, to Gill...

Allen - On 25th September, to Gill... Allen - On 24th September, to Gill... Allen - On 23rd September, to Gill... Allen - On 22nd September, to Gill...

Allen - On 21st September, to Gill... Allen - On 20th September, to Gill... Allen - On 19th September, to Gill... Allen - On 18th September, to Gill...

Allen - On 17th September, to Gill... Allen - On 16th September, to Gill... Allen - On 15th September, to Gill... Allen - On 14th September, to Gill...

Allen - On 13th September, to Gill... Allen - On 12th September, to Gill... Allen - On 11th September, to Gill... Allen - On 10th September, to Gill...

Allen - On 9th September, to Gill... Allen - On 8th September, to Gill... Allen - On 7th September, to Gill... Allen - On 6th September, to Gill...

Allen - On 5th September, to Gill... Allen - On 4th September, to Gill... Allen - On 3rd September, to Gill... Allen - On 2nd September, to Gill...

Allen - On 1st September, to Gill... Allen - On 31st August, to Gill... Allen - On 30th August, to Gill... Allen - On 29th August, to Gill...

Allen - On 28th August, to Gill... Allen - On 27th August, to Gill... Allen - On 26th August, to Gill... Allen - On 25th August, to Gill...

ANNOUNCEMENTS

THIS IS ASTHMA WEEK... Asthma Research Council... Contact: the team with the best experience World-wide

CHANGI BOOKMARK... CONTACT: the team with the best experience World-wide

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ANNOUNCEMENTS... CONTACT: the team with the best experience World-wide

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WINTER SPORTS... DOMESTIC/CATERING SITUATIONS... SUPER SECRETARIES

NORTH OF THE THAMES... SITUATIONS WANTED... BRITISH MANAGEMENT CONSULTANT

CHILD WITH KIDNEY ILLNESS?... NATIONAL KIDNEY RESEARCH FUND... DIABETICS! NEW Balance

ON SALE NOW... Medical progress... News and Views... Comments

Back to G.B. after eighteen years abroad... Professional woman of forty... Fluent Portuguese (Brazil) French, G.C.E. 'O' levels

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SUPER SECRETARIES... NORTH OF THE THAMES... SITUATIONS WANTED... BRITISH MANAGEMENT CONSULTANT

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Back to G.B. after eighteen years abroad... Professional woman of forty... Fluent Portuguese (Brazil) French, G.C.E. 'O' levels

Property to let London... Property wanted... Rentals... Baker St, WI

Palace Properties 01-486 8926... 12 HERFORD STREET, MAIFAIR, WI... HERFORDS... SUPERB MEWS HOUSE BELGRAVIA

Last tribute for courageous PC Olds



Final parade for a hero: The cortege outside St Andrew's Church, Harrow, yesterday.

More than 400 people packed a funeral service yesterday to pay tribute to the courage and inspiration of PC Philip Olds, cut down in the prime of his life by a robber's bullet six years.



Miss Vanessa Perkins leaving the church. (Photographs by Chris Harris and Leslie Lee)

Chief Supt Luckhurst spoke of his commendation for bravery and how he fulfilled his dream of becoming a police motorcyclist.

As the President left, he faced a last-minute battle with Congress on budget resolutions.

Labour's defence stance under fire

Continued from page 1... Labour's defence stance under fire... Continuing the programme of policy announcements yesterday, Mr Malcolm Rifkind, Secretary of State for Scotland, outlined the Government's plans for the replacement of household rates with a residents charge.

Reagan in hopeful mood

Continued from page 1... Reagan in hopeful mood... Administration officials have often expressed the hope that it would be possible for a Reagan-Gorbachev summit before the end of this year.

Forever England by the seaside

After three days of any Conservative conference, it is easy to understand the powerful, if no longer original, movement in English literature which ensures that every year these occasions are depicted as organized sycophancy, a creeps' convention.

THE TIMES INFORMATION SERVICE

Today's events

Royal engagements: The Princess of Wales, Patron, Birthrights opens the Harris Birthright Centre for Perinatal Medicine, John Radcliffe Hospital, Oxford, 10.30...

Concerts

Concerts by the Taughton Sinfonia and Martin Roscoe (piano); Tiverton School Music Society, Bolham Rd, Tiverton, 7.30...

Food prices

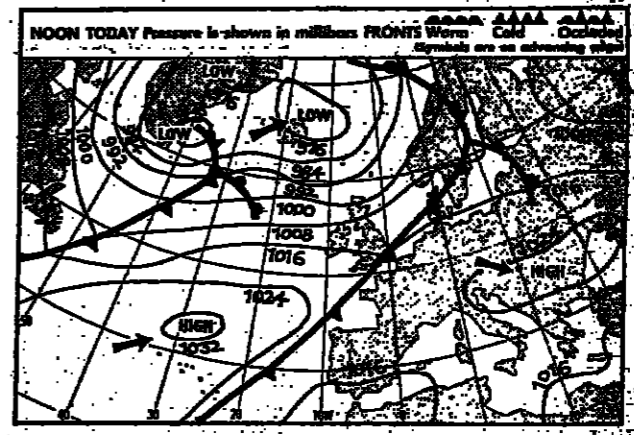
The long spell of warm, dry weather has brought an abundance of home-grown vegetables into the shops.

Anniversaries

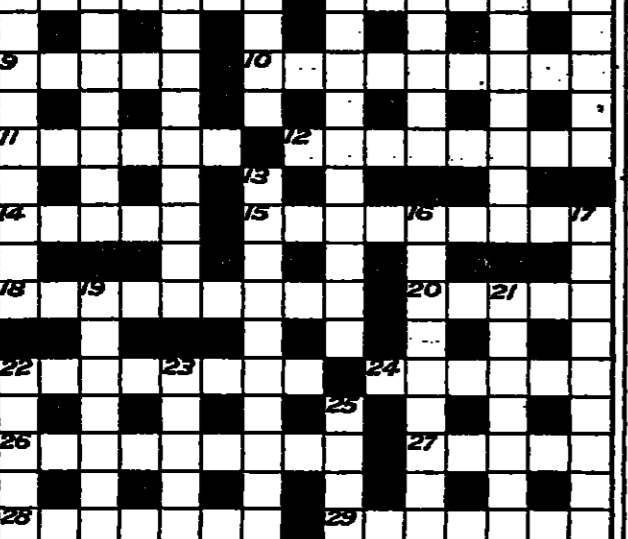
Birds: Jacobus Arminius, theologian, Oudewater, Netherlands, 1560; Jean-Antoine Watteau, painter, Valenciennes, France, 1684; Henry Cavendish, physicist and chemist, 1731; Benjamin West, painter, Springfield, Pennsylvania, 1738; Giuseppe Verdi, the Roncole, Italy, 1813; Rufus Daniel Isaacs, 1st Marquess of Reading, Victoria of India, 1921-26, London, 1850; Paddy Ramsey, explorer and statesman, Nobel Peace laureate 1922, Store-Fron, Norway, 1861; Ivan Buniin, poet and novelist (new style), Oct 22, Voronezh, Russia, 1870; Wilhelm Marris, 1st Viscount Northfield, Worcester, 1877; Deaths: Fra Filippo Lippi, painter, Spoleto, Italy, 1469; Sir Cyril Bart, psychologist, London 1971.

Weather

A slow moving frontal trough will affect the extreme SE of Britain for much of the day.



The Times Crossword Puzzle No 17,173



Top Films

The top box-office films in London: 1 (3) Top Gun, 2 (1) Aliens, 3 (2) Mona Lisa...

The pound

Bank of England 2.95, 2.95, 2.95... Retail Price Index: 265.9. London: The FT Index closed up 20.0 at 2288.1.

The pound

Bank of England 2.95, 2.95, 2.95... Retail Price Index: 265.9. London: The FT Index closed up 20.0 at 2288.1.

High Tides

Table with columns for location, AM, FT, and JT tide heights. Locations include London Bridge, Aberdeen, Belfast, Cardiff, Liverpool, Newcastle, Plymouth, Southampton, Swansea, and Tides.

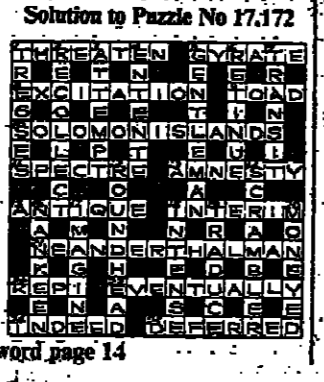
Around Britain

Table showing wind directions and speeds across different regions of Britain, including East Coast, South Coast, and West Coast.

Abroad

Table of international exchange rates for various currencies including the CFA franc, CFP franc, and others.

ACROSS: 1 One who beats others in many games of bridge (7), 2 Popular at home? Damned odd that is (2,6), 3 Two rings needed for this wild beast (5), 4 Inadequate as a painter might be (4), 5 Reverie in a room at Rugby (5,5), 6 Habitual exaggerator's swans (5), 7 Both parts of round, trip in wild area (7), 8 Scrap or discard right in the middle (5), 9 Small amount of money tied up in Oxford, say (4-6), 10 Get into debt - without any interest (9), 11 Name on act as legal document (5,4), 12 One flies from Canada via Toronto (7), 13 Disorder in a port, an Italian one (7), 14 Workers employed to record score (5), 15 Fruit but, nothing more (5), 16 Maiden - she's silly to become engaged (4), 17 Solution to Puzzle No 17,172



DOWN: 1 Ruthless competition producing cannibalism? (3,3,3), 2 Perfect early C on piano, perhaps (7), 3 Make prohibitions in great numbers in Eastern city (9), Concise Crossword page 14.

Parliament today

Lords (11): Debate on completion of EEC internal market... Commons (10): Debate on completion of EEC internal market...

Portfolio Gold

Times Portfolio Gold rules are as follows: Times Portfolio is free. Purchase of the Times is not a condition of playing...

Anglers' weights

After the announcement last week that the sale of most lead weights used by anglers is to be banned from the beginning of next year, the Royal Society for the Protection of Birds has produced a guide to alternatives to lead weights.

Christmas post

Tomorrow is the last recommended posting date for Christmas surface mail to the following countries: Angola, Argentina, Bahrain, Bangladesh, Barbados, Bolivia, Botswana, Brazil, Brunei, Bulgaria, Canada, Cayman Islands, Chile, Colombia, Costa Rica, Ecuador, Egypt, Finland, France, Germany, Greece, Guatemala, Hong Kong, India, Indonesia, Iran, Iraq, Ivory Coast, Japan, Jordan, Kenya, Kuwait, Laos, Lebanon, Liberia, Lithuania, Luxembourg, Madagascar, Malawi, Malaysia, Mauritius, Mexico, Monaco, Mozambique, Myanmar, Nicaragua, New Zealand, Oman, Paraguay, Qatar, Saudi Arabia, Singapore, Sierra Leone, Somalia, Sudan, Switzerland, Taiwan, Thailand, Turkey, Trinidad and Tobago, Uruguay, Venezuela, Vietnam.

A vertical sidebar on the right edge of the page containing various advertisements such as 'BUSINESS AND', 'Executive Editor', 'HOLMES & COURTNEY 10% stake', '30% for Waterford', 'Ballis board', 'MARKET SUMMARY', and 'STOCK MARKETS'.

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TSB SHARES Dealing prices available 9 a.m. to 9 p.m. on. 01-928 8691

WALL STREET Dow edges forward in moderate early trading

New York (Agencies) — Wall Street stocks moved higher in moderate early trading yesterday, extending a rally of the previous session. The Dow Jones industrial average rose 8.86 to 1,812.71

Table with columns for various stocks (AMR, ADA, Allied Signal etc.) and their percentage changes.

Campari cuts half-time losses

Campari International, the sports equipment group, reduced its losses to £94,789 before-tax in the six months to the end of May, compared with a previous first-half loss of £1.2 million.

attributable 462 (364). Earnings per share 2.7p (2.1p). JAMES FINLAY: Turnover in 1986 for six months to June 30 was 84,282 (106,573)

In brief

TDK CORPORATION: The terms of the US\$ bond issue with warrants are: rate of interest 8.75 per cent a year. Aggregate amount of issue price of shares to be issued upon exercise of warrants: yen 23,317,500,000

COMPANY NEWS

Figures in £000. Group turnover 10,191 (7,482). Pre-tax profits 2,318 (1,763). Earnings per share 20.3p (14.7p)

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Table with columns for various stocks (Frestone, Ford, Fiat etc.) and their percentage changes.

Table with columns for APPOINTMENTS, listing various names and roles.

MORGAN GRENFELL Good performance across the Group. Extract from the interim report of the Chairman, Lord Catto: These results, which exceeded the profit forecast made in connection with the listing of the Company's shares on The Stock Exchange earlier this year, reflect a high contribution from corporate finance activities and a good performance overall from the other activities of the Group.

Successful businessmen should go far. Australia. The land of opportunity. The country which enjoys the highest standard of living in the southern hemisphere. And one of the highest levels of disposable incomes in the world.

Wolstra. City office. Judith Huntley. Out-of-town.

STOCK MARKET REPORT

Buyers come in for Pilkington Bros

By Michael Clark and Carol Leonard

The telephone lines between Britain and America were running red-hot yesterday as City analysts rushed to issue buy recommendations for Pilkington Brothers, the glass manufacturing and processing group.

The analysts have just completed a week-long tour of the group's US operations and were clearly impressed with what they saw.

Brokers are now urging their top institutional clients to add them to their portfolios and dealers were able to report some solid turnover in the shares.

But there is also talk that a large buyer of the shares has been doing the rounds and may have picked up more than 8 million shares, or about 4 per cent of the total equity.

tailer, slipped 2p to 228p amid unconfirmed reports that almost 4 per cent of the company had changed hands outside the market.

A line of around 35 million shares, worth nearly £80 million, was said to be up for grabs, but the identity of the sellers remained a mystery.

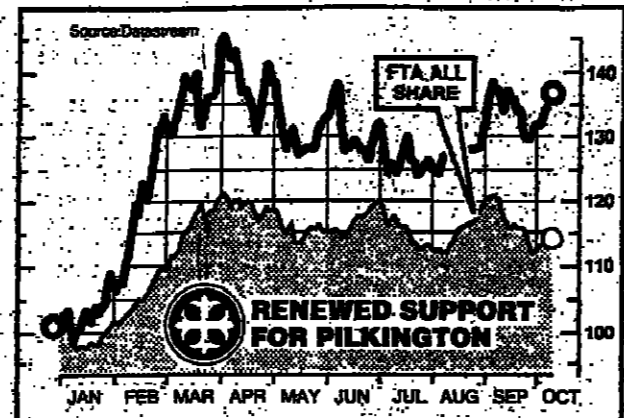
Mr Gary Weston's Associated British Food owns around 135 million Dee shares (15 per cent) following the sale of Fine Fare to Dee for more than £600 million in June.

There was also a big chunk of Mount Charlotte Investments, the hotel group, on offer. Dealers claim that about 4 million shares have gone through the market.

The FT 30-share index closed just one point off its highest level of the day, up 20 at 1,268.1.

Glits performed strongly, gaining up to £1 in the longs and 2p in the shorts.

Reports that the Bank of England would be handing over supervision of the glits market to the Stock Exchange were denied by the Bank.



Barclays gained 10p to 474p. Lloyds 10p to 422p. Midland 10p to 547p. National Westminster 13p to 522p and Bank of Scotland 7p to 439p.

British Aerospace gained 12p to 480p, after 488p, on the back of bullish order book news.

Elsewhere in the banking sector Standard and Chartered jumped 7p to 749p after Mr Robert Holmes a Court, the Australian businessman, confirmed that his Bell Group had increased its stake to more than 10 per cent.

Mr John Tyce, banking analyst at Alexander's Laing and Cruickshank, the broker, reckons they could open at 85p to 90p and will then go higher.

Elsewhere in the banking sector Standard and Chartered jumped 7p to 749p after Mr Robert Holmes a Court, the Australian businessman, confirmed that his Bell Group had increased its stake to more than 10 per cent.

group, lost 30p to 536p following the announcement of its merger plans with Waterford Glass. Waterford eased a couple to 118p.

Options buying in Consold and Lonrho forced jobbers to buy stock in the market to cover their positions.

Earlier this year UB's attempts to merge with Imperial Group were thwarted by Hanson Trust. If the two should agree terms, it would create a food group worth about £2 billion.

The high level of options business is continuing to stimulate the share price of Rio Tinto-Zinc, the mining finance house, as the jobbers, already short of stock, attempt to keep out of trouble.

The shares have witnessed dull trading for most of the year hit by fears about the falling oil price and the weakness of the US and Australian dollar.

As recently as July, the shares were trading around 530p. But the group now appears to be over the worst.

Yesterday the price surged through the 700p-mark with a jump of 25p to 717p and is now just 73p shy of the year's high.

Shares of Blue Arrow, the services group whose interests range from employment agencies to industrial cleaning and business travel, slipped 7p to 371p after announcing its latest US acquisition.

The group is making an initial payment of \$10.7 million for Temporarily, a Washington temporary help business. If the group lives up to expectations over the next few years, the total consideration could be nearer \$30 million.

To help finance the deal, Mr Tony Berry, Blue Arrow's ambitious chairman, is asking shareholders for an extra £30 million by way of a rights issue. The terms are one-for-three at 330p.

Other acquisitions in the US are planned, including another employment agency business for about \$15 million. The group has forecast pretax profits of £8.2 million for the current year to October 31. That compares with £2.16 million last time.

Mr Berry is applying for Blue Arrow shares to be dealt in the US in the form of American Depositary Receipts and trading should begin in the new year.

FOREIGN EXCHANGES

Table with columns for OTHER STERLING RATES and DOLLAR SPOT RATES. Lists exchange rates for various countries like Argentina, Australia, Brazil, Canada, etc.

STERLING SPOT AND FORWARD RATES

Table showing Sterling spot and forward rates for various maturities (1 month, 3 months, 6 months, 12 months) for different locations like New York, London, etc.

LONDON FINANCIAL FUTURES

Table of London financial futures including Treasury Bills, US Treasury Bonds, and other instruments with their current and previous day's prices.

TRADITIONAL OPTIONS

Table of traditional options for various stocks and indices, listing last trading date and current price.

MONEY MARKETS AND GOLD

Table of money markets and gold prices, including rates for 1 month, 3 month, 6 month, and 12 month deposits, and gold prices in London and other markets.

RECENT ISSUES

Table of recent issues for various companies, listing the company name, issue size, and price.

LONDON TRADED OPTIONS

Large table of London traded options for various stocks and indices, including call and put options with their respective prices and dates.

At Gold Fields investments start to pay off

From the Statement by Rudolph Agnew, Chairman

A sparkling performance by ARC and solid progress by most of our mining interests.

The potential growth of Gold Fields of South Africa is immense. I hope that a sensible, peaceful route can be found to power sharing and that Gold Fields can continue to play its part in the long term development of the Republic.

Over the last five years ARC has spent £180 million acquiring reserves and expanding production. During the same period Gold Fields Mining Corporation has discovered 4.5 million ounces of gold and should produce some 9 tons annually by 1988.

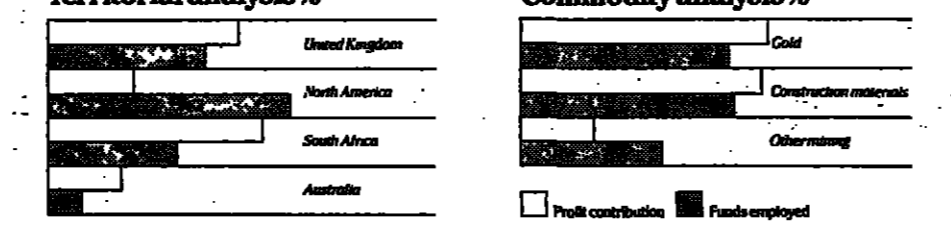
The Newmont copper problem has disguised impressive progress on other fronts. Newmont Gold expects to produce in excess of 20 tons of gold per annum within this decade.

The development of our operations should lead to a substantial improvement in our financial fortunes. I hope that this will be the last year of a maintained dividend.

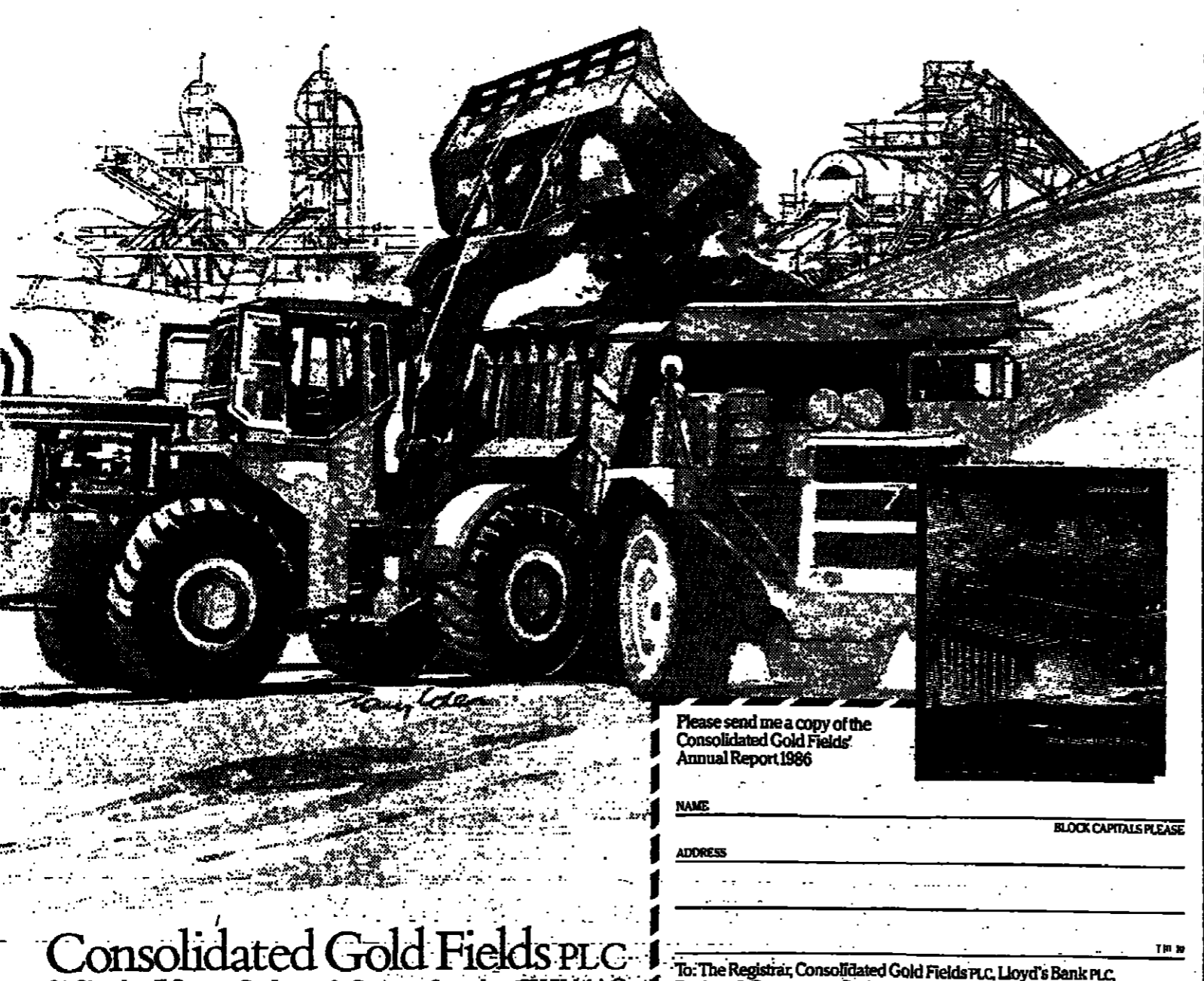
Key Results from the Accounts

Table showing key results from the accounts for 1986 and 1985, including Beneficial interest in Group sales, Profit before interest and tax, Profit before tax, Profit attributable to shareholders, Earnings, Dividends, and Net assets.

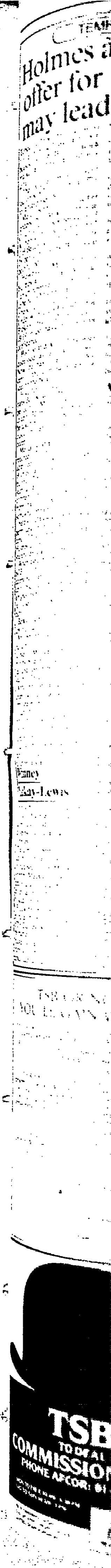
Territorial analysis %



Commodity analysis %



Consolidated Gold Fields PLC, 31 Charles II Street, St. James's Square, London SW1Y 4AG. Includes contact information for the Registrar and a form for requesting a copy of the Annual Report 1986.



TEMPUS

Holmes à Court's offer for Morgan may lead to a bid

Tender offers, as platforms for launching bids, are rare beasts in the British stock market and have a tendency to fail.

The Government offered foul on Rio Tinto-Zinc's offer for Enterprise Oil.

More recently, off-market tenders by Berkeley House Group to buy 18.8 per cent of Authority Investments and C H Beazer's tender offer for 25 per cent of SGB Group both failed.

However, Mr Robert Holmes à Court, an Australian entrepreneur, is not one to be put off by the failures of others. His success Down Under with a tender offer for Broken Hill Proprietary (BHP) must have given him confidence.

His first attack on BHP was dismissed as a crazy joke. Now, he has nearly 30 per cent of the company and a seat on the board.

His offer, through his company Bell Resources, for 29.9 per cent of Morgan Crucible at up to 320p, therefore must be taken seriously. Not seriously enough, however, to accept it.

Morgan's share price has reached 317p this year, admittedly helped by Mr Holmes à Court's steady buying. The premium for such a large chunk of the company - 16.5 per cent more than he owns - looks somewhat mean.

Safety clauses are not permitted in on-market tenders. This prevents Mr Holmes à Court from giving shareholders any comfort.

When Beazer tendered for SGB Group, it promised the accepting shareholders a top-up if it bid for the company at a higher level in the next year or if it sold its stake to a third party.

Berkley also offered top-ups in certain circumstances. Mr Holmes à Court has indicated he might launch a full bid for Morgan after three months. Shareholders should wait and see if he does and what he offers.

Although the failure of the tender would cause short-term share price weakness, Morgan should make taxable profits this year of £25 million, giving a prospective rating of 15 on shares down 8p at 303p yesterday. The rating is justified by the fundamentals alone.

Whinney

Mackay-Lewis

The growth of London as one of the world's major financial centres has produced profitable spin-offs for a variety of businesses.

The latest to benefit and to cash in with a trip to the Unlisted Securities Market is Whinney Mackay-Lewis, the architectural designer, with an enviable list of blue-blooded clients.

Following in the footsteps of the architectural practice of D Y Davies, which came to the market in April, Whinney Mackay is placing 1.6 million shares at 160p each to give a market capitalization of £7.2

million. The shares are on a prospective multiple of 13.2, based on a profit forecast for the current year of not less than £300,000.

Growth, although interrupted for two years by a depression in the construction industry, has been steady, but the range of clients and services has been broadened and last year's earnings came out at £512,000.

Although some demand for its services has been created by the deregulation in the City and the need for buildings incorporating modern communication and computer technology, the company remains confident that growth will be sustained.

Buildings need to be revamped much earlier than previously, with a consequent demand for improvement and change in building design.

Austin Reed

Buying your clothes at Austin Reed is unlikely to raise many eyebrows. The classic "no risks" image has made the name Austin Reed and Chester Barrie famous, but has also made it difficult for the business to branch out into the more fashion conscious parts of the retail world.

Instead, the group is developing its manufacturing skills. This accounts for a third of turnover, but is equal to retailing in its contribution to profits. A fifth of its sales are to Austin Reed retail outlets, thus widening group margins.

There is scope to increase the manufacturing operation in Britain and Europe by increasing its customer base.

The group also receives licensing income in the United States and Japan from companies manufacturing Chester Barrie and Austin Reed products.

The group has 37 Austin Reed of Regent Street outlets, five of which are in London. Virtually all include Options, selling tailored women's clothes and Cue, catering for younger men.

Retail expansion will take the form of obtaining concessions in department stores in Britain and Europe. Ideally, they will be in places which would not otherwise justify a free standing outlet. A pilot unit has been opened at Selfridges in London.

The second half is more important as winter clothes carry higher ticket prices and business increases in the run-up to Christmas. This year profits should move up towards £6 million (earnings per share 13.5p).

The share rating reflects the fact that the business is half way between two sectors. They are cheap for the stores sector but expensive textile shares.

The non-voting "A" shares yesterday rose 5p to 151p, as analysts welcomed the results. However, it is hard to see the shares do much more than hold their own.

Fiat deal with Japan unlikely

By Anne Warden

Fiat Auto, one of Europe's most successful car makers, this week frowned on the idea of car manufacturing deals with Japanese producers, even as 12 of the parent group's managers, led by Signor Umberto Agnelli, the vice-chairman, wooed Japanese financiers at a two-day presentation in Tokyo which began on Tuesday.

Dr Gregorio Rampa, a senior assistant to Signor Vittorio Ghidella, the chief of Fiat Auto, said of the manufacturing agreements: "We don't think it is a good idea to encourage the Japanese to invest in Europe."

Dr Rampa, director of industrial policy at Fiat Auto, said that funds for future Fiat car projects, such as the "Type 2" to be launched in 1988, would come from the company's earnings.

Last month Fiat announced pretax profits for the first half of \$7.17 billion (£5.04 billion). This doubles the figure for the same period last year.

Dr Rampa said agreements such as the British Rover Group with Honda to develop replacements for the Maestro and Rover 200, were "not a way to defend the English automobile industry."

He added that Fiat had no plans to introduce car production in Britain because such a move would not be profitable.

£30m Blue Arrow cash call for US expansion

By John Bell City Editor

It took Tony Berry just two years to develop his Blue Arrow group from a modest entrant to the Unlisted Securities Market to the largest employment agency in Britain via an agreed merger with Brook Street Bureau.

Now Mr Berry has established a solid base in the US where he reckons the prospects are even better. To fund the expansion he is calling on shareholders for £30 million by way of a one-for-three rights issue.

After 12 months' research and analysis of more than 100 companies Blue Arrow announced last month that it had bought Positions, a Boston-based agency specializing in permanent staff placements.

Yesterday Mr Berry told shareholders that stage two of his American strategy had been achieved and that a third acquisition was expected shortly.

Yesterday's move involved the conditional purchase of the Washington-based Temporaries for a down payment of \$10.7 million and further profit-related instalments of up to \$21 million (£14.7 million) over the next two years.

All being well a third US company in the temporary helpers' field will join the group before the end of the year.



Tony Berry: aiming for a top ten ranking in the US

"These deals establish us in three key areas of the employment agency business in the US and we hope at some time to complete our coverage of the market by adding a company in executive search and head-hunting," said Mr Berry yesterday.

"We identified the US as a market which we have to be in. The working population is 90 million compared with our 20 million and salaries are often twice the levels over here. In cash terms the market is probably 10 times bigger than our own."

"When we complete our deals, we will be among the top ten in the US but with enormous scope for expanding further," he added.

The man who paved the way for Blue Arrow's transatlantic moves is Mr Eric Hurst, who with his wife Margery built up the Brook Street chain.

Blue Arrow's progress has been electrifying since it was brought to the USM by Phillips & Drew, the stockbrokers, in 1984.

Then capitalized at just over £3 million Blue Arrow forecast profits of £350,000. Now capitalized at £100 million, Blue Arrow yesterday promised shareholders that in the year to the end of this month profits would be not less than £8.2 million.

Analysts are expecting £14 million next year as the full benefits of the earlier acquisition come through. Their forecasts exclude the US acquisitions.

Mr Berry is, however, at pains to stress that his management team has rapidly improved the returns from the companies which have been acquired.

Blue Arrow has restructured its senior management with the creation of a four-man main board responsible for corporate policy and two subsidiary boards taking care of the UK and US operations separately.

The forecast profit of £8.2 million for the current year represents a near quadrupling of the previous year's pretax income. The board promises shareholders a final dividend of 1.4p net, making a total for the year of 2.0p which is 67 per cent higher than in 1985.

The one-for-three rights issue has been pitched at a price of 330p. Blue Arrow shares fell 7p to 371p on the news.

Table with header: CANADIAN OVERSEAS PACKAGING INDUSTRIES LIMITED. Includes Preliminary Earnings Announcement and financial data for 1985/86 and 1984/85.

Large advertisement for TSB with headline 'After the TSB lottery, some good news for the runners up.' Includes text about interest rates and withdrawal options, and the Lloyds Bank logo.

Advertisement for TSB OR NO TSB YOU'LL GAIN WITH L&Y. Includes details about share offers and contact information for Lancashire & Yorkshire.

Advertisement for TSB TO DEAL COMMISSION FREE. Includes phone number AF08 01-377 5511 and logo.

THE TIMES UNIT TRUST INFORMATION SERVICE

Main table containing unit trust information, including columns for 'Unit Trust Name', 'Price', 'Change', and 'Yield'. It lists various investment funds and their performance metrics.

UNLISTED SECURITIES

Table of unlisted securities, listing company names, prices, and other financial details.

INVESTMENT TRUSTS

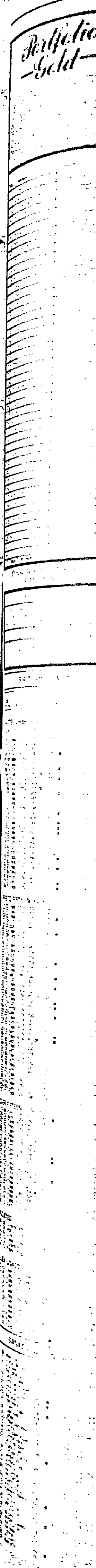
Table of investment trusts, detailing various fund names and their associated data.

FINANCIAL TRUSTS

Table of financial trusts, listing trust names and their financial characteristics.

COMMODITIES

Table of commodities, listing various goods like oil, metals, and agricultural products with their prices.



Portfolio Gold

From your portfolio card check your eight share price movement. Add them up to give you your overall total. Check this against the daily dividend figure published on this page. If it matches you have won outright or a share of the total daily prize money stated. If you are a winner, the claim procedure on the back of your card. You must always have your card available when claiming.

Table with columns: No., Company, Group, Cash or Div. Includes companies like Boveri, Coals Vella, Taylor Woodrow, etc.

Please be sure to take account of any minus signs

Weekly Dividend table with columns for days of the week (MON, TUE, WED, THU, FRI, SAT, SUN) and a 'Total' column.

BRITISH FUNDS table with columns for High, Low, Stock, Price, Change, % Chg, and PE.

SHORTS (Under Five Years) table with columns for High, Low, Stock, Price, Change, % Chg, and PE.

FIVE TO FIFTEEN YEARS table with columns for High, Low, Stock, Price, Change, % Chg, and PE.

OVER FIFTEEN YEARS table with columns for High, Low, Stock, Price, Change, % Chg, and PE.

UNDATED table with columns for High, Low, Stock, Price, Change, % Chg, and PE.

INDEX-LINKED table with columns for High, Low, Stock, Price, Change, % Chg, and PE.

BANKS DISCOUNT HP table with columns for High, Low, Stock, Price, Change, % Chg, and PE.

STOCK EXCHANGE PRICES

Equities recover their poise

ACCOUNT DAYS: Dealings began on September 29. Dealings end today. Settlement day on Monday. Settlement day October 20. Forward bargains are permitted on two previous business days.

Main stock exchange price table with columns: High, Low, Company, Price, Change, % Chg, PE. Includes sections for BREWERIES, BUILDINGS AND ROADS, FINANCE AND LAND, FOODS, CHEMICALS, PLASTICS, CINEMAS AND TV, DRAPERY AND STORES, INDUSTRIALS A-D, HOTELS AND CATERERS, L-R, S-Z, INSURANCE, LEISURE, MINING, MOTORS AND AIRCRAFT, NEWSPAPERS AND PUBLISHERS, OIL, ELECTRICALS.

Portfolio Gold

DAILY DIVIDEND £4,000 Claims required for +50 points Claimants should ring 0254-53272

Table with columns: High, Low, Company, Price, Change, % Chg, PE.

OVERSEAS TRADERS table with columns for High, Low, Company, Price, Change, % Chg, PE.

PAPER, PRINTING, ADVERT'G table with columns for High, Low, Company, Price, Change, % Chg, PE.

PROPERTY table with columns for High, Low, Company, Price, Change, % Chg, PE.

SHIPPING table with columns for High, Low, Company, Price, Change, % Chg, PE.

SHOES AND LEATHER table with columns for High, Low, Company, Price, Change, % Chg, PE.

TEXTILES table with columns for High, Low, Company, Price, Change, % Chg, PE.

TOBACCO table with columns for High, Low, Company, Price, Change, % Chg, PE.

Table with columns for High, Low, Company, Price, Change, % Chg, PE.

Table with columns for High, Low, Company, Price, Change, % Chg, PE.

Table with columns for High, Low, Company, Price, Change, % Chg, PE.

Table with columns for High, Low, Company, Price, Change, % Chg, PE.

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YOUR OWN BUSINESS

FOCUS ON FRANCHISE

CUMMINS & CO SOLICITORS
14 years of practical experience in Franchising, acting for Franchisors and Franchisees.
Contact Steve Cummins or Mark Copping on 0753 850661.

MASTER LICENCE RIGHTS
A number of master licence rights are now available from successful U.S.A. franchisor companies...

YOUR OWN BUSINESS IN MOTOR WORKSHOP SUPPLIES
GOOD POTENTIAL EARNINGS
MODERATE INVESTMENT - FINANCE AVAILABLE

THE UNITED KINGDOM FRANCHISE DIRECTORY
The one publication with all the information you need to know on Franchising.

CONSIDERING FRANCHISING?
Europe's largest & most progressive franchise development organisation...

BE YOUR OWN BOSS
JOIN THE OPTICAL BOOM
We are looking for suitable candidates to operate Crown Optical Centres...

FAST FRAME
Large picture framing business
Details largest chain of picture frames and art dealers...

GENERAL
THE SUPERIOR PACKAGE
A FULL COLOUR PROMOTIONAL LEAFLET FROM £160 INTERESTED?

GENERAL
BUSINESS FOR SALE
ROTARY compressors (or vacuum pumps) hitchin area.

PROPERTY RESTORATION
We have over 10 years experience in the restoration of historic buildings...

HITCHIN AREA
Rotary compressors (or vacuum pumps) hitchin area.

SMALL SEED COMPANY
Currently on by husband & wife team. Turnover in last financial year £144,000.

COMPANY directors, directors, shareholders, company secretaries...

COMFORTABLE three-bedroom detached house in excellent location...

LEE. Barrels, saws and chainsaws available for hire...

PRACTICAL used car garage ATTENTION GARAGE OWNERS!
We are the most competitive national car and van rental company...

FRANCHISE OPPORTUNITIES DIRECTORY
50 pages of information on over 100 franchises...

Clean-up with Sketchley franchise wise.
If you're thinking of going into business, a Sketchley dry cleaning and shoe repair franchise is the wise one you can really clean-up with.

Tighter rules for franchisors
By Derek Harris.
The British Franchise Association (BFA) trade body for one of the fastest-growing sectors in British business...

Jobs bloom in the garden city
By Ron Vincent.
Letchworth in Hertfordshire, the world's first garden city, is planning more help for new businesses by setting up a 75-acre business park.

Right direction: Andrew Egerton-Smith wants firms to relocate in Letchworth.
Invest several million pounds between 1979 and 1982 in re-establishing the town's industrial base.

MR FRIDAY
Joint trading gets marketing boost.
The creation of marketing co-operatives to achieve joint trading by small firms in the same line of business...

BRIEFING
Eleven marketing co-ops have been formed already, uniting 2,000 small firms...

PASSport to SUCCESS UK
PASS & CO have over 25 years of success in the treatment of Woodworm, Dry Rot and Rising Damp...

BUSINESS TO BUSINESS

MATURE MANAGEMENT OPPORTUNITY
York FUMBLE AVAILABLE FOR SUITABLE APPLICANTS SUBSTANTIAL INCOME GENERATED IN FIRST YEAR...

TELEX AND FACSIMILE
WHAT IS YOUR TELEX NUMBER?
How often are these questions asked by your clients or suppliers...

OFFSHORE COMPANY FORMATION AND MANAGEMENT
Most jurisdictions, like St. Vincent, Grenada, the Bahamas, etc...

SWISS CHEMICAL COMPANY
Is looking for distributors for its consumer-industrial products to be marketed in Great Britain.

PROMOTIONAL UMBRELLAS
Establishing Golf Umbrella printed and personalised with your Company name and logo.

MISSION OR PROBLEM IMPOSSIBLE?
Let agent of Krypton Intelligence and dynamic personality try to solve it.

UNIQUE OPPORTUNITY
We seek 60 distributors in total throughout the UK to market our range of health and beauty products...

COMPLETE TELEX SYSTEM - £899 + VAT
PORTEX is a portable/desk top telex system complete with full sized keyboard and printer ready for use.

ELECTRONIC SECURITY
Surveillance, counter surveillance, communications and computer security, encryption etc.

ENSURE YOUR SUCCESS IN 1987
Manufacturers, exporters, distributors, the highly profitable field of property investment is a growing one...

A BUSINESS BUILT AROUND A CAMERA
Photographic Camera business. Product line includes professional camera, accessories...

URGENT
Small Liverpool man. looking for sales outlets in SE for antique type recording machines, gdn products & pergolas.

YOURS?
A business you can run easily from home, with unlimited potential, ready to go, no experience, high profit margins, positive cash flow, minimal overheads...

WORKING PARTNERS
with capital required by established retail fine art gallery, wish to expand nationwide - write for further details.

LOANS & INVESTMENT
PROPERTY DEVELOPMENT, Be interested in working with The Property Development Company...

EDUCATIONAL CONSULTANTS
Invited by secondary schools, further education, etc. to act as part of their educational staff.

INVESTOR REQUIRED
for lucrative free range egg production unit, no physical work involved, capital backing in one year + 30%.

SOUTH AFRICAN CURRENCY
purchased. We give 10% higher rate than main banks.

RESTAURANT
Well situated with 40 covers. Well equipped. 150 seats from Marble Arch. Excellent opportunity for expanding caterer/restaurant looking to establish his own operation.

PROPERTY DEVELOPMENT
Interested in working with The Property Development Company...

WANTED: MC 1523
Wanted: MC 1523 Rover sports car. Must be running. Blue. 1984. Price: £1,200.

POSITION IN THE CITY PROPERTY MARKET

The City of London's position as one of the world's leading financial centres has historically been characterised by the comparative stability of the City property market.

DIRECTORS AND SENIOR MANAGEMENT

The Directors are as follows: Richard Saunders, FRICS, aged 49, is Chairman. He was a founding partner of Baker Harris Saunders and is responsible for client liaison and professional work.

Senior Management and Employees: Details of the Group's senior management are set out below: Jack Linton, ACA, aged 55, is Financial Controller and Company Secretary and joined the firm in July 1986.

TRADING RECORD

Table showing trading record for the five accounting periods ended 30th April 1986, as derived from the Accountants' Report set out in Part 2. Columns include Turnover, Profit before taxation, and Profit after taxation for 17 months ended 30th April and years ended 30th April 1982-1986.

In the 17 month period to 30th April 1986, approximately 20 per cent of the firm's income was attributable to the sale of Milton House to BFL. This, together with the extended accounting period, inflated the earnings for the period as compared to 1985. In addition, in 1985 profits were affected by the continuing poor market and the absence of major projects.

CURRENT TRADING AND PROSPECTS

During the current financial year, the Group is forecasting total lettings of approximately 1.5 million square feet and acquisitions in excess of 400,000 square feet, for all of which instructions have already been received and, in some cases, completed.

Prospects: The Directors are confident that, by providing a high level of personal service to clients, they will maintain and enhance the firm's position in the expanding City property market.

PROFIT FORECAST AND DIVIDENDS

The Directors forecast that, in the absence of unforeseen circumstances, the profit before taxation of the Group for the year ending 30th April, 1987, will be not less than £1,600,000.

REASONS FOR THE OFFER FOR SALE

The Directors believe that the Company has reached a stage in its development where it is appropriate to seek a listing of its shares. This status will enhance the corporate profile of the firm amongst its existing and potential clients.

ACCOUNTANTS' REPORT

The following is a copy of a report to the Directors and to Rowe & Pinnau Ltd., prepared by Robson Rhodes, Chartered Accountants, 196 City Road, London, EC1Y 1AN, dated 7th October, 1986.

We have examined the accounts of the Partnership and Bahaas for the period of seventeen months ended 30th April 1982 and for each of the four years ended 30th April, 1988 to 1986, and of BHS for the period from 3rd April, 1986 (the date of incorporation) to 30th April, 1986. We have been auditors of BHS and Bahaas throughout the period covered by this report.

Significant Accounting Policies

Accounting Convention: The accounts are prepared in accordance with the historical cost convention. Turnover comprises commissions and fees receivable, exclusive of VAT.

Depreciation: Depreciation of tangible fixed assets (including assets acquired under finance leasing contracts - see below) is provided on the straight line basis in order to write off the cost of each asset over its estimated useful life. The rates adopted are: Furniture, fittings and equipment (including computers) 33 1/3 per cent.

Group Profit and Loss Accounts: 17 months ended 30th April. Years ended 30th April. Table showing turnover, operating charges, profit before directors' remuneration, profit after taxation, and reserves carried forward.

Group Balance Sheet: 17 months ended 30th April. Years ended 30th April. Table showing fixed assets, current assets, net current assets, total assets less current liabilities, and shareholders' funds.

Group Source and Application of Funds Statements: 17 months ended 30th April. Years ended 30th April. Table showing source of funds, application of funds, and net assets.

Notes to the Accounts: 17 months ended 30th April. Years ended 30th April. Table detailing other operating charges, interest receivable, interest payable, and leasehold assets.

Directors' remuneration

Directors' remuneration has been calculated on the basis of the remuneration payable to each Director as from 1st May, 1985, adjusted in line with the Retail Price Index, covering the period each Director was a Partner of the Partnership.

Table showing directors' remuneration for 17 months ended 30th April and years ended 30th April 1982-1986.

The charge for taxation is based on the profit on ordinary activities as if the Group had been in existence throughout the period.

Earnings per share: Earnings per share are calculated on the profit for the year/period and on 8,505,243 Ordinary shares, being the number of Ordinary shares of the Company in issue at the date of the Listing Particulars.

Dividends to Capital introduced by Partners: This comprises all amounts distributed to or introduced by Partners of the Partnership, adjusted for notional Directors' remuneration and corporation tax.

Table showing tangible assets (Furniture, fittings and equipment) and motor vehicles for 17 months ended 30th April and years ended 30th April 1982-1986.

Debtors: Table showing trade debtors, VAT, other debtors, and prepayments for 17 months ended 30th April and years ended 30th April 1982-1986.

Creditors: Table showing amounts falling due within one year (Bank overdraft, Corporation tax, Other taxes and social security, Other creditors) and amounts falling due after more than one year (Leasing commitments).

Provisions for liabilities and charges: Table showing deferred taxation for 17 months ended 30th April and years ended 30th April 1982-1986.

Commitments: Table showing capital commitments and leasing commitments at 30th April 1986.

Client monies: At 30th April, 1986 client monies held in approved bank accounts amounted to £295,000 (30th April, 1985: £122,000).

Table showing share capital and share premium account of the Company as at 30th April 1986.

Share capital and share premium account of the Company as at 30th April 1986. Table showing ordinary shares and called-up share capital.

Following admission to the Official List: Capitalisation of share premium account. Table showing the amount available for capitalisation.

Issue for cash in connection with the Offer for Sale: Table showing the minimum tender price of 150p per share less estimated expenses of issue.

The authorised share capital will, following admission of the Ordinary shares to the Official List, be £1,250,000 divided into 12,500,000 Ordinary shares of 10p each.

Yours faithfully, Robson Rhodes, Chartered Accountants. INFORMATION RELATING TO THE PROFIT FORECAST: Basis and assumptions.

Notes to the Accounts: The following are copies of letters from the Reporting Accountants and Rowe & Pinnau Ltd. concerning the profit forecast. Letter from Reporting Accountants dated 7th October, 1986.

RACING: ARC THIRD MAKES A SPEEDY REAPPEARANCE IN NEXT WEEK'S NEWMARKET SHOWPIECE WITH SURE BLADE

Revised tactics can lead smart Mytens to double

By Mandarin (Michael Phillips) Following that fine authoritative victory at Newmarket last Friday, Mytens is napped to give his owner Khaled Abdulla and jockey Pat Eddery another taste of success, in what has already been an unforgettable year, at Ascot today by winning the Mecca Bookmakers Handicap.



While Triptych, third in the Arc, makes a speedy reappearance in the Dubai Champion Stakes at Newmarket on Saturday week, Eddery's Sure Blade is back in the limelight at Ascot today. Bering returned from Sunday's big event with a fractured left shin bone.

Triptych heads for Champion Stakes

From Our French Correspondent, Paris While Triptych, third in the Arc, makes a speedy reappearance in the Dubai Champion Stakes at Newmarket on Saturday week, Eddery's Sure Blade is back in the limelight at Ascot today.

Sainte Joie stamps classic potential with fine victory

Lester Piggott, 11 times champion jockey, sent out his 29th winner as a trainer when Sainte Joie justified 13-8 favouritism in the Malton Stakes at York yesterday, earning herself a 33-1 quote from Hills for next year's Oaks.

Thomson maintains the momentum with double

The New Zealander Brent Thomson, who makes a final decision next week over his long-term future riding in Britain, partnered his first winner for the Newmarket Handicap at Donibust on Saturday.

Reluctant Melendez makes it four

Peter Scudamore and Martin Pipe, the Wellington trainer, setting a strong pace this National Hunt season, took their scores to 22 and 17, respectively, when Melendez landed the odds in the Novices Hurdle at Cheltenham yesterday.

Etherington goes hurdling

Jimmy Etherington, the Malton trainer, has his first-ever National Hunt runner today when Radshaw goes to post for the second division of the novice hurdle at Hexham.

Results from four meetings

Table with columns for York, Cheltenham, Perth, and Hexham, listing race results and winners.

ASCOT Selections

- 2.00 Cap Del Mond. 2.30 Canago. 3.05 Moonlight Lady. 3.40 Percy's Lass. 4.15 MYTENS (nap). 4.45 Kufuma.

Guide to our in-line racecard

103 (12) 0-4-32 TIMEFORM (CDBF) (Mrs J Pyley) B Hill 9-10-0 88 7-2 Record number. Draw in brackets. St-figures race distance, BF-best time, etc. Race and age in brackets. P-pulled up. U-unsettled. R-race. Age and sex in brackets. P-pulled up. U-unsettled. R-race. Age and sex in brackets.

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Large vertical advertisement on the right side of the page, featuring the name 'Mansell' and other text, partially obscured by a large graphic.



GOLF: RYDER CUP AND WALKER CUP MEN FIGHT OUT THE GRAND DEAL

Driving down memory lane

By John Hennessey

The Royal Cinque Ports golf club was the setting yesterday of an exciting stroll down memory lane. The deeds of Gerringo came flooding back as two teams of former Ryder Cup and Walker Cup players gathered together for a match...



Course for celebration: veterans Panton (left), Lucas and Bradshaw, celebrate their birthdays at the place they know best.

Lineker's grasp of the Spanish style should enrich English attack

Gary Lineker will return to England next week to play against Northern Ireland in the European Championship at Wembley. A slightly wiser and more aware player than he already was before he joined Barcelona from Everton...

Cardiff braced for visit of Chelsea

Supporters of Luton, Town in spirit as well as in reality will have appreciated a subtle irony in the Littlewoods Cup third round game yesterday. Cardiff City, who gained a bye to this stage because of Luton's refusal to admit the Welsh club's supporters...

Newcastle under fire

Mouaned police were forced into action to disperse a 500-strong mob outside St James's Park when angry supporters expressed their rage at the latest of Newcastle United's cup shocks on Wednesday night. Despite a 75th-minute goal from Glenn Roeder, their captain, Newcastle never looked like making up a two-goal deficit created by Bradford in their second round, second-leg Littlewoods Cup tie.

Table with 2 columns: Team, Score. Includes Littlewoods Cup, FA Trophy, and other football results.

First round victory to McEnroe

Scottsdale, Arizona—Despite a display of exceptional serving, John McEnroe, the top seed, beat Christo van Rensburg, of South Africa, 6-2, 6-4 in the first round of the Scottsdale Open yesterday.

Whitehurst for sale

Newcastle United have transferred their £220,000 striker Billy Whitehurst following their Littlewoods Cup exit at the hands of second division Bradford City on Wednesday night.

Winning start for powerful West Indians

Bombay (Reuters)—The West Indies players began their six-match world tour here yesterday with a resounding 59-run victory in a one-day limited-over charity match against a home side containing most of the West Indies' batting line-up.

Table with 2 columns: Team, Score. Includes West Indies cricket results.

Miss New back on course

Beverly New launched her challenge for the British women's open at Royal Birkdale with a six-under-par first round of 69 yesterday, then revealed how she began the year "poor, skinty and dejected."

Call for betting ban

Brisbane (Reuters)—Greg Norman has called for betting on golf in Britain to be banned. In a newspaper column yesterday the Australian said that Britain should join the rest of the world in banning wagers on the outcome of golf events.

Portsmouth say goodbye to Europe

Portsmouth, the English club with seemingly the best chance of making further progress in Europe, return home from their continental tour today, resigned after losing a 2-0 point lead in their Korac Cup first round tie against Sibenka.

Table with 2 columns: Team, Score. Includes Portsmouth and other sports results.

Champion nine strokes behind

Tweed Heads, Australia (AP)—Robert Stephens and Jeff Woodland of Australia had eight-under-par 64s yesterday to lead the field after the first round of the Queensland Open over the par-72 course.

FOR THE RECORD

SCHOOLS MATCHES: Durham 19, 100-100; ... RUGBY UNION: ... TENNIS: ...

Programme to be re-shuffled

Britain's cross-country programme faces a major restructuring after the announcement by the International Amateur Athletic Federation that the world cross-country championships in Warsaw, Poland, in March will be the last in which they will allow runners from England, Scotland, Northern Ireland and Wales.

Table with 2 columns: Team, Score. Includes football and other sports results.

Entertainment listings for cinemas, TV, and other leisure activities.

Today's television and radio programmes

Edited by Peter Dear and Peter Davalle

BBC 1
6.00 Ceefax AM. News headlines, weather, travel and sports news.

TV-AM
6.15 Good Morning Britain presented by Anne Diamond and Mike Morris.

BBC 2
6.00 Ceefax. Daytime on Two: a student's eye-view of undergraduate life.

CHANNEL 4
2.20 Conference Report. Glyn Methias introduces live coverage of the Prime Minister's speech to the Conservative Party Conference.

Radio 4
On long waves. (a) Stereo on VHF 8.50. (b) Stereo on VHF 8.50. (c) Stereo on VHF 8.50.

Radio 3
8.55 Weather. 7.00 News. 7.05 Morning Concert recordings.

Radio 2
MF (medium wave). Stereo on VHF (see Radio 1).

WORLD SERVICE
6.00 News. 7.00 Twenty-Four Hours. 7.30 News. 8.00 News.

ENTERTAINMENTS
CONCERTS
BARRACLOUGH HALL, 0756/6536. 8.00pm. The Royal Ballet.

ENTERTAINMENTS
THEATRE
ROYAL OPERA HOUSE, 0756/6536. 8.00pm. The Royal Opera.

ENTERTAINMENTS
THEATRE
THEATRE ROYAL, 0756/6536. 8.00pm. The Royal Theatre.

ENTERTAINMENTS
THEATRE
THEATRE ROYAL, 0756/6536. 8.00pm. The Royal Theatre.

ME AND MY GIRL
ALBERT HALL, 0756/6536. 8.00pm.

THEATRE
ROYAL OPERA HOUSE, 0756/6536. 8.00pm.

THEATRE
THEATRE ROYAL, 0756/6536. 8.00pm.

THEATRE
THEATRE ROYAL, 0756/6536. 8.00pm.

Sarah Hemmings

